

**BROCHURE OF**  
**MARITIME CAPITAL, LLC**

A New York limited liability company registered with the Securities and Exchange  
Commission as an Investment Adviser (CRD #161112)

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**THIS BROCHURE PROVIDES INFORMATION ABOUT THE QUALIFICATIONS AND BUSINESS PRACTICES OF MARITIME CAPITAL, LLC. IF YOU HAVE ANY QUESTIONS ABOUT THE CONTENTS OF THIS BROCHURE, PLEASE CONTACT US AT (646) 513-3189.**

**THE INFORMATION IN THIS BROCHURE HAS NOT BEEN APPROVED OR VERIFIED BY THE U.S. SECURITIES AND EXCHANGE COMMISSION (“SEC”) OR ANY STATE SECURITIES AUTHORITY.**

**MARITIME CAPITAL, LLC (“MARITIME” OR THE “FIRM”) IS REGISTERED AS AN INVESTMENT ADVISER WITH THE SEC. REGISTRATION WITH THE SEC OR WITH ANY STATE SECURITIES REGULATOR DOES NOT IMPLY A CERTAIN LEVEL OF SKILL OR TRAINING.**

**ADDITIONAL INFORMATION ABOUT MARITIME CAPITAL, LLC IS AVAILABLE ON THE SEC’S WEBSITE AT [WWW.ADVISERINFO.SEC.GOV](http://WWW.ADVISERINFO.SEC.GOV).**

The date of this brochure is

March 20, 2024

The delivery of this brochure (the “**Brochure**”) at any time does not imply that the information contained herein is correct as of any time subsequent to the date shown above.

### **Material Changes**

This is Maritime's 2024 annual update to its Form ADV for the fiscal year ending December 31, 2023. There are no material changes to report regarding our advisory business since March 14, 2023, which was the date of our previous Brochure.

Maritime will provide you with a new Brochure as necessary based on changes or new information, at any time, without charge.

Currently, the Firm's Brochure may be requested by contacting the Chief Compliance Officer at (646) 513-3189.

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## I. Part 2A – DISCLOSURE ITEMS ABOUT THE FIRM

### Item 4. Advisory Business:

- (A) **Operational and Organizational Information:** Maritime Capital, LLC, a New York limited liability company is owned by Greg Gurevich. As stated on the cover page of this brochure, registration as an investment adviser does not imply a level of skill or training. The Firm was established in April 2010.
- (B) **Types of Advisory Services Offered:** The Firm provides portfolio management services to Maritime Capital Partners Offshore Ltd, a Cayman Islands exempted company (the “**Cayman Fund**”). The Cayman Fund will invest all of its assets in Maritime Capital Partners Master Ltd, a Cayman Islands exempted company (the “**Master Fund**”), through a “master-feeder” fund structure. The Firm also acts as the investment manager of Maritime Capital Partners LP, a Delaware limited partnership (the “**U.S. Fund**”), which employs an identical investment strategy to the Fund and also invests all of its assets in the Master Fund. Together, the Cayman Fund, U.S. Fund, and Master Fund are referred to as the “**Flagship Fund**.” The Firm also provides portfolio services to Maritime Municipal Long Fund, a Delaware limited partnership (“**Long Fund**”) and Maritime Capital Composite LP, a Delaware limited partnership (“**Composite Fund**”). The Flagship Fund, the Long Fund, and the Composite Fund shall collectively herein after be referred to as the “**Funds**”. The Firm also sub-advises other pooled investment vehicles (the “**Sub-Advised Funds**”, and together with the Funds are referred to herein as “**Clients**”). Investors in the Funds are referred herein as “**Fund Investors**”. Maritime Capital GP LLC, a Delaware limited liability company, is the general partner of the U.S. Fund, and the Firm is responsible for the management of the Flagship Fund’s operations. Maritime LO GP, LLC, a Delaware limited liability company, is the general partner of the Long Fund and Maritime Capital Composite GP LLC, a Delaware limited liability company, is the general partner of the Composite Fund. Collectively, the general partners are referred to as the “**General Partners**.” The Firm may offer advisory services to separately managed accounts. In the event the Firm is engaged to provide advisory services to a separately managed account, such account would be considered a “**Client**.”

The Firm does not hold itself out as specializing in a particular type of advisory service. Please review the Firm’s investment guidelines, specified below under “Client Investment Guidelines and Parameters”.

**Client Investment Guidelines and Parameters:**

**Generally:** The Firm provides discretionary investment advisory services to all Clients in accordance with the terms and conditions of the relevant investment management agreement.

**The Funds:** The Funds' investment objective is to seek and consistent absolute returns primarily through capital appreciation and to provide Fund Investors with attractive risk-adjusted returns, while also attempting to preserve capital and mitigate risk through diversification of investments and hedging activities.

**Sub-Advised Funds:** For accounts sub-advised by the Firm, please refer to the relevant investment management agreement for investment guidelines and parameters.

**No assurance can be given that the Firm will achieve its objectives, and investment results may vary substantially over time and from period to period.**

- (C) **Advisory Services:** The Firm directs the investment of the Fund's assets pursuant to a pre-agreed investment objective and strategy, summarized above, which is disclosed to Fund Investors prior to their investment. The Firm does not tailor its advisory services to the individual needs of Fund Investors, and Fund Investors may not impose restrictions on investing in certain securities or types of securities. Each Fund Investor's investment will be allocated in the same manner as each of the other Fund Investors. For Sub-Advised Funds, see response to Item 4.(B), above.
- (D) **Wrap Fee Programs:** The Firm does not participate in wrap fee programs.
- (E) **Client Assets Under Management:** *(rounded to the nearest \$100,000)*

Discretionary regulatory assets under management: \$ 806,105,000 as of December 31, 2023.

Non-discretionary regulatory assets under management: \$ 0 as of December 31, 2023.

**Item 5. Fees and Compensation:**

**(A) Generally:**

Management fees for the Funds are calculated based on a periodic percentage of the value of the assets under management.

In consideration for its services to the Funds, the Firm will receive a management fee (the “**Management Fee**”), calculated at approximately 2.0% annually (0.1667% per month) or 0.75% annually (0.0625% per month) of the net assets of the Fund.

In addition, the Firm shall collect a Performance Allocation, equal to 20% of the Funds’ net income, as defined in Item 6, below.

The particular fee structure for any Sub-Advised Fund can be found in the relevant investment management agreement.

Notwithstanding the foregoing, the Firm, in its sole discretion, may waive or modify the Management Fee for Fund Investors that are members, employees or affiliates of the Firm, relatives of such persons, and for certain other Fund Investors.

**Payment of Fees:** Management Fees for the Funds are calculated and deducted monthly in advance, as specified in the applicable confidential private placement memorandum and related offering documents (“**Offering Documents**”) of the Funds. No part of the Management Fee will be refunded in the event that a Fund Investor withdraws, whether voluntarily or involuntarily, all or any of the value in such Fund Investor’s capital account during any month. Management fees for the Sub-Advised Funds are paid in arrears.

- (C) Additional Fees and Expenses:** The Firm will be responsible for its own general operating and overhead expenses associated with providing the management and investment management services. These expenses include all expenses incurred by the Firm in providing for its operating overhead, including, but not limited to, the cost of providing relevant support and administrative services (e.g., employee compensation and benefits, rent, office equipment, computer systems, insurance, utilities, telephone, secretarial and bookkeeping services, etc.). Nonetheless, the Fund and any pooled vehicle which may be organized in the future will bear its own expenses as further described in the Offering Documents.

In addition, Clients will incur brokerage and other transaction costs. Clients and/or Fund Investors should review Item 12, which discusses conflicts of interest related to brokerage practices.

**Withdrawal from the Fund:** Subject to certain restrictions described in the Offering Documents, a Fund Investor may withdraw all or any portion of its capital account(s) in a minimum amount of \$25,000 on the last day of any quarter (i.e., March 31, June 30, September 30 and December 31) upon at least 60 days' prior written notice to the Firm's administrator. Notwithstanding the foregoing, no partial withdrawal will be permitted if the value of the Fund Investor's capital account(s) after such withdrawal is implemented will be less than \$100,000 (subject to the discretion of the Firm to waive such requirement). All withdrawals shall be deemed made prior to the commencement of the following quarter.

Subject to certain restrictions described in the Offering Documents, a Composite Fund Investor may withdraw a minimum of \$50,000 (per Series) as of the last business day of June and December and at such other times as the General Partner may determine in its sole discretion (each such date, a "Withdrawal Date"), upon at least sixty (60) days' prior written notice to the Administrator. Unless the General Partner consents, partial withdrawals may not be made if they would reduce a Fund Investor's capital account balance below \$25,000. All withdrawals shall be deemed made prior to the commencement of the following semi-annual period.

If the Firm, in its sole discretion, permits a Fund Investor to withdraw capital other than on a regularly scheduled withdrawal date, the Firm may impose an additional administrative fee to cover the actual legal, accounting, administrative, brokerage, and any other costs and expenses associated with such withdrawal. Such fee will be payable to the Funds and deducted from the withdrawal proceeds of the withdrawing Fund Investor as of the date of withdrawal.

For additional information regarding termination of services and withdrawals, please see the Funds' Offering Documents or the investment management agreement of any Sub-Advised Fund.

- (D) **Fees Paid in Advance:** Please review Item 5.(B), above.
- (E) **Additional Compensation of Supervised Persons:** Neither the Firm nor any of its supervised persons accepts compensation for the sale of securities or other investment products.

**Item 6. Performance Based Fees and Side-by-Side Management:**

In addition to the Management Fee, the Firm is compensated for its investment management services through an incentive allocation, also known as a performance based allocation (“**Performance Allocation**”). The Firm will receive a Performance Allocation at the close of each fiscal year (or other period referred to below, as the case may be) equal to 20% of the Fund’s net income (including realized and unrealized gains and net of the Management Fee) attributable to each Fund Investor’s capital account for such period, subject to a Loss Carryforward (as defined below).

Upon any withdrawal by a Fund Investor in the Funds, whether voluntary or involuntary, the Performance Allocation will be allocated with respect to the amounts withdrawn. The Performance Allocation will also be allocated upon dissolution of the Funds.

The Performance Allocation will be allocated in addition to, and separately from, the proportionate allocations of income and profits, or losses, to the Firm and/or its affiliates based upon their capital accounts relative to the capital accounts of all Fund Investors. The Firm, in its sole discretion, may waive or reduce the Performance Allocation with respect to one or more Fund Investors for any period of time. The Firm, in its sole discretion, may reallocate a portion of the Performance Allocation to certain Fund Investors.

The Firm’s receipt of Performance Allocations is intended to align the Firm’s interests with those of the Fund Investors and to provide the Firm with a greater incentive to manage assets well. The nature of the Performance Allocation, however, creates a potential conflict of interest among the Firm, its associated persons, and the Fund Investors.

**Loss Carryforward**

The Performance Allocation is subject to what is commonly known as a “high water mark” provision. The high water mark will be used in order to prevent a scenario whereby the Firm could receive a Performance Allocation merely for recouping prior losses. If a Fund Investor’s capital account has a net loss in any fiscal year (or other period, as applicable), this loss will be recorded and carried forward as to such capital account to future fiscal years (or other periods) (such amount is referred to as the “**Loss Carryforward**”). Whenever there is a Loss Carryforward for a Fund Investor’s capital account with respect to a fiscal year (or other period), the Firm will not receive a Performance Allocation with respect to such capital account for future fiscal years (or other periods) until the Loss Carryforward amount for such capital account has been recovered (i.e., when the Loss Carryforward amount has been exceeded by the cumulative profits allocable to such capital account for the fiscal years (or other periods) following the



Loss Carryforward). Once the Loss Carryforward has been recovered, the Performance Allocation will be based on the excess profits (over the Loss Carryforward amount) as to such Fund Investor's capital account, rather than on all profits.

When a Fund Investor withdraws capital from the Fund, any Loss Carryforward will be adjusted downward in proportion to the withdrawal. The Firm may agree with any Fund Investor to apply a different Loss Carryforward provision for such Fund Investor.

The Firm manages multiple client accounts, the Funds and the Sub-Advised Funds. When the Firm manages more than one Fund with overlapping investment strategies and different compensation arrangements, a potential exists for one Client to be favored over another Client. Under those circumstances, the Firm and its investment personnel would have a greater incentive to favor the Client that pays the Firm (and indirectly its investment personnel) higher performance-based compensation or fees. Accordingly, the Firm has adopted and implemented policies and procedures intended to address conflicts of interest that may arise relating to the management of multiple Clients, including potentially multiple Clients with different fee arrangements, and the allocation of investment opportunities.

**Item 7. Types of Clients:**

The Firm provides advisory services for the Fund and for Sub-Advised Funds. The minimum investment in the Flagship Fund and Long Fund is \$1,000,000 and the minimum subsequent investment is \$50,000. The minimum investment in the Composite Fund is \$100,000. Please refer to the relevant investment management agreement for minimum investments amounts in any Sub-Advised Funds. The Firm has discretion to accept lesser investment and minimum account balances.

In general, in order to invest in the Funds, a Fund Investor must meet certain minimum suitability requirements, including qualifying as an "Accredited Investor" under the Securities Act of 1933, as amended, and as a "Qualified Client" under the Investment Advisers Act of 1940, as amended.

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

**(A) Methods of Analysis and Investment Strategies:**

The Firm's investment objective on behalf of its Clients is to seek consistent absolute returns primarily through capital appreciation, while also attempting to preserve capital and mitigate risk through diversification of investments and hedging activities.

### *The Flagship Fund*

The Firm anticipates that the Flagship Fund's assets will be primarily invested in government-backed and investment-grade municipal and corporate bonds, specifically tax-exempt municipal bonds, taxable corporate bonds and U.S. treasury and agency securities, notes and other fixed income securities that are publicly-traded. The Flagship Fund will also attempt to hedge its credit and interest rate exposure with respect to its bonds and other securities through the use of financial instruments, including among others, futures, options, interest rate swaps, forward currency contracts, U.S. treasuries and credit derivatives such as credit default swaps. The Firm may also invest, on an opportunistic basis, in equities and exchange traded funds ("ETFs").

In efforts to improve liquidity for its portfolios, the Firm may offer to sell its portfolios' positions to issuers of ETFs and subsequently purchase shares of the applicable ETF equal to the value of the positions sold through a broker dealer.

In carrying out the Flagship Fund's investment objective, the Firm focuses on fixed income securities that are undervalued with the potential to be marketed out at favorable spreads to interested parties. The Firm intends to, at times, gather information about government policy, interests in new issues, and portfolio constraints of other investors. The Firm will generally purchase debt that the Firm believes to be undervalued and sell short debt that the Firm believes to be overvalued.

The Firm strives to take advantage of relative value, cross-over trading opportunities, and market anomalies and inefficiencies through in-depth security selection and econometric models. The Firm intends to analyze several financial measures before investing in a security, including, without limitation, credit, liquidity, interest rate risk, optionality, and tax code risks. The Flagship Fund will generally purchase bonds in allocations that the Firm deems appropriate to maximize the projected total return and minimize risk to the net asset value of the Flagship Fund's portfolio. The Firm typically looks to neutralize interest rate risk.

The Flagship Fund may also purchase securities on margin and engage in hedging and other securities investment strategies, such as credit and interest rate derivatives. The Flagship Fund believes that a large number of positions and small trades, coupled with

disciplined and systematic risk controls, can offer an attractive risk adjusted return.

The Master Fund and the Cayman Fund offer share classes which are denominated in Japanese Yen (“**JPY Shares**”). The Master Fund expects to execute trades to hedge the currency risk applicable to the share class, such that all gains or losses and related expenses are allocated to the appropriate class via the Cayman Fund. To the extent that such transactions intended to hedge currency risks do not precisely and fully eliminate all these risks, the returns attributable to such share classes may vary from other classes based on the movement of related exchange rates.

#### *The Composite Fund*

The Composite Fund utilizes primarily a multi-manager approach, referred to as a “fund of funds”, deploying capital among specialists that it considers to have excellent future potential in their respective strategies. The Firm seeks to provide attractive risk-adjusted returns by actively diversifying or concentrating allocations among strategies or third party managers (“**Underlying Managers**”). In order to further reduce risk, the types of Underlying Managers the Composite Fund invests in rely on different performance drivers. The Composite Fund may invest in an Underlying Manager through the purchase of an interest in a fund managed by such Underlying Manager and/or through a managed account agreement with such Underlying Manager. The Composite Fund may also “seed” an Underlying Manager and, in connection therewith, may acquire an economic interest in the Underlying Manager. In addition, the Composite Fund may also invest directly in a wide variety of securities and financial instruments in an attempt to both supplement capital growth and hedge transactions.

The Firm researches and chooses among a broad universe of available Underlying Managers. The Firm looks for outstanding Underlying Managers who have proven track records and a strong emphasis on risk management, and prefers those who have a substantial portion of their personal assets at stake in the Underlying Fund in which the Composite Fund invests. Some of these Underlying Managers are not widely known to the broader investment community and many are closed to new investors. The Firm may also look to invest in new investment vehicles without a prior track record launched by experienced Underlying Managers and inexperienced Underlying Managers. The Firm may invest with Underlying Managers who utilize strategies with higher risk.

Underlying Managers will be selected based on both qualitative and quantitative criteria with an emphasis on the Underlying Manager's experience and value within the greater portfolio.

This approach is taken in order to reduce risk and enhance returns. The Composite Fund will also from time to time directly invest in securities and financial instruments with the aim of growing the Composite Fund's capital. The Composite Fund will also directly make investments designed to "hedge", or mitigate the risk associated with its other investments.

### *The Long Fund*

The Firm anticipates that the Long Fund's assets will be primarily invested in government-backed and investment-grade municipal and corporate bonds, specifically tax-exempt municipal bonds, taxable municipal bonds, taxable corporate bonds and U.S. treasury and agency securities, notes and other fixed income securities that are publicly-traded. In carrying out the Long Fund's investment objective, the Firm intends to focus on fixed income securities that are undervalued with the potential to be marketed out at favorable spreads to interested parties. The Firm intends to, at times, gather information about government policy, interests in new issues, and portfolio constraints of other investors. The Long Fund will generally purchase debt instruments that the Firm believes to be undervalued. The Firm may also invest, on an opportunistic basis, in equities and exchange traded funds ("ETFs").

The Firm strives to take advantage of relative value, cross-over trading opportunities, and market anomalies and inefficiencies through in-depth security selection and econometric models. The Firm intends to analyze several financial measures via proprietary algorithms and fundamental research before investing in a security, including, without limitation, credit, liquidity, interest rate risk, optionality, and tax code risks. The Long Fund will generally purchase bonds in allocations that the Firm deems appropriate to seek to maximize the projected total return and to seek to minimize risk to the net asset value of the Long Fund's portfolio. In general, the Firm intends to perform its own research in determining underlying investments for the Long Fund; however, the Firm's investment ideas may also be generated from a wide variety of sources, including industry contacts, trade and financial publications, trade shows and investment conferences. The Firm intends to generally utilize a bottom-up investment process analyzing investments on an individual basis. At times, the Firm, through early identification of sector trends, will invest based on its analysis and conclusions. Investment analyses will seek to identify

strategies with superior return characteristics with respect to risk scenarios.

The Long Fund will not utilize leverage.

The Firm may also invest some of the Long Fund's assets in short-term U.S. government obligations, certificates of deposit, commercial paper and other money market instruments, including repurchase agreements with respect to such obligations, to enable the Long Fund to make investments quickly and to serve as collateral with respect to certain of its investments. In response to adverse market, economic or other conditions, such as the availability of attractive arbitrage opportunities (or lack thereof), the Long Fund may temporarily invest a substantial portion of its assets in cash or cash-equivalent securities.

#### *The Sub-Advised Funds*

In the sole discretion of the Firm, the investment strategies of any Sub-Advised Funds can be similar to the Fund's investment strategy or can be tailored to the individual guidelines of any Sub-Advised Fund.

**No assurance can be given, however, that these objectives will be achieved, and investment results may vary substantially over time and from period to period.**

#### **(B) Risks Associated with the Firm's Investment Strategies:**

**Short Selling:** The Firm's investment program contemplates that a portion of Client portfolios will be invested in selling securities short. Although the Firm may sell short a variety of assets, it expects most short trades to be in equity securities. Short selling involves the sale of a security that a Client does not own and must borrow in order to make delivery in the hope of purchasing the same security at a later date at a lower price. In order to make delivery to its purchaser, the Client must borrow securities from a third party lender. The Client subsequently returns the borrowed securities to the lender by delivering to the lender the securities it receives in the transaction or by purchasing securities in the open market. Clients must generally pledge cash with the lender equal to the market price of the borrowed securities. This deposit may be increased or decreased in accordance with changes in the market price of the borrowed securities. During the period in which the securities are borrowed, the lender typically retains his right to receive interest and dividends accruing to the securities. In exchange, in addition to

lending the securities, the lender generally pays the Client a fee for the use of the Client's cash. This fee is based on prevailing interest rates, the availability of the particular security for borrowing and other market factors.

Theoretically, securities sold short are subject to unlimited risk of loss because there is no limit on the price that a security may appreciate before the short position is closed. In addition, the supply of securities that can be borrowed fluctuates from time to time. Clients may be subject to substantial losses if a security lender demands return of the lent securities and an alternative lending source cannot be found.

**Options and Other Derivative Instruments:** The Firm may invest, from time to time, in options and derivative instruments, including buying and writing puts and calls on some of the securities held by the Client in an attempt to supplement income derived from those securities. The prices of many derivative instruments, including many options and swaps, are highly volatile. The value of options and swap agreements depend primarily upon the price of the securities, indexes, commodities, currencies or other instruments underlying them. Price movements of options contracts and payments pursuant to swap agreements are also 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. The Client is also subject to the risk of the failure of any of the exchanges on which its positions trade or of their clearinghouses or of counterparties. The cost of options is related, in part, to the degree of expected volatility of the underlying securities, currencies or other assets. Accordingly, options on highly volatile securities, currencies or other assets may be more expensive than options on other investments.

Put options and call options typically have similar structural characteristics and operational mechanics regardless of the underlying instrument or asset on which they are purchased or sold. A put option gives the purchaser of the option, upon payment of a premium, the right to sell, and the writer the obligation to buy, the underlying security, commodity, index, currency or other instrument or asset at the exercise price. A call option, upon payment of a premium, gives the purchaser of the option the right to buy, and the seller the obligation to sell, the underlying instrument or asset at the exercise price.

If a put or call option purchased by the Client were permitted to expire without being sold or exercised, the Client would lose the entire premium it paid for the option. The risk involved in writing a put option is that there could be a decrease in the market value of the underlying instrument or asset caused by rising interest rates or other factors. If this occurred, the option could be exercised and the underlying instrument or asset would then be sold to the Client at a higher price than its current market value. The risk involved in writing a call option is that there could be an increase in the market value of the underlying instrument or asset caused by declining interest rates or other factors. If this occurred, the option could be exercised and the underlying instrument or asset would then be sold by the Client at a lower price than its current market value.

Purchasing and writing put and call options and, in particular, writing “uncovered” options are highly specialized activities and entail greater than ordinary investment risks. In particular, the writer of an uncovered call option assumes the risk of a theoretically unlimited increase in the market price of the underlying instrument or asset above the exercise price of the option. This risk is enhanced if the instrument or asset being sold short is highly volatile and there is a significant outstanding short interest. These conditions exist in the stocks of many companies. The instrument or asset necessary to satisfy the exercise of the call option may be unavailable for purchase except at much higher prices. Purchasing instruments or assets to satisfy the exercise of the call option can itself cause the price of the instruments or assets to rise further, sometimes by a significant amount, thereby exacerbating the loss. Accordingly, the sale of an uncovered call option could result in a loss by the Client of all or a substantial portion of its assets.

Swaps and certain options and other custom instruments are subject to the risk of non-performance by the counterparty, including risks relating to the financial soundness and creditworthiness of the counterparty.

**Changes in Derivatives Regulations:** The regulatory environment for derivatives is evolving, and changes in such regulation could restrict, make more costly, or otherwise adversely affect the Firm’s ability to pursue its Clients’ investment strategy.

**High-Yield Fixed Income Securities:** The Firm may invest in “high-yield” bonds that are rated in the investment grade and sub-investment rating categories by various credit rating agencies. High-yield securities and/or comparable non-rated securities are subject to greater risk of loss of principal and interest than higher

rated securities and are generally considered to be more speculative with respect to the issuer's capacity to pay interest and repay principal. Because investors generally perceive that there are greater risks associated with such securities, the yields and prices of such securities may be more volatile than those for higher rated securities. The market is thinner, often less liquid, and less active than for higher rated securities, which can adversely affect the prices at which these securities can be sold and may even make it impractical to sell such securities.

**Risks Associated with ETFs:** The Firm may, from time to time, invest a portion of a portfolio in ETFs. There are events that can trigger sharp, and sometimes adverse, price movements in ETFs that are not related to movements of the market in general. Not limited to, but among these, are surprise dividends, changes to regular dividend amounts, announcements of rights offerings and possible surprise revisions to net asset values. In addition, the Investment Company Act places certain restrictions on the percentage of ownership that a private investment fund, such as the Funds, may have in an ETF. ETFs generally charge their own management and other fees, so that, when a portfolio invests in them, the account holder or investor will bear two levels of fees and expenses.

In certain circumstances, such as the disruption of the orderly markets for the securities or financial instruments in which an ETF invests, an ETF might not be able to dispose of certain holdings quickly or at prices that represent true market value in the judgment of the ETF portfolio manager(s). Such a situation may prevent an ETF from limiting losses, realizing gains or achieving a high correlation or inverse correlation with its underlying index.

**Investments in Securities and Other Assets Believed to Be Undervalued:** The Firm's investment program contemplates that a portion of the Client portfolios will be invested in securities and other assets that the Firm believes to be undervalued. The identification of such investment opportunities is a difficult task, and there are no assurances that such opportunities will be successfully recognized or acquired. While such investments offer the opportunities for above-average capital appreciation, they also involve a high degree of financial risk and can result in substantial losses. Returns generated from investments may not adequately compensate for the business and financial risks assumed. The current economic conditions and any future major economic recession can severely disrupt the markets for such investments and significantly impact their value. In addition, any such economic downturn can adversely affect the ability of the issuers of such



obligations to repay principal and pay interest thereon and increase the incidence of default for such securities. Additionally, there can be no assurance that other investors will ever come to realize the value of some of these investments, and that they will ever increase in price. Furthermore, Clients may be forced to hold such investments for a substantial period of time before realizing their anticipated value. During this period, a portion of funds would be committed to the investments made, thus possibly preventing Clients from investing in other opportunities.

**Small Companies:** The Firm may invest a portion of the assets in small and/or unseasoned companies with small market capitalizations. While smaller companies generally have potential for rapid growth, they often involve higher risks because they may lack the management experience, financial resources, product diversification and competitive strength of larger companies. In addition, in many instances, the frequency and volume of their trading may be substantially less than is typical of larger companies. As a result, the securities of smaller companies may be subject to wider price fluctuations. When making large sales, Clients may have to sell portfolio holdings at discounts from quoted prices or may have to make a series of small sales over an extended period of time due to the lower trading volume of smaller company securities.

**Leverage:** When deemed appropriate by the Firm and subject to applicable regulations as well as any limitations contained in the applicable investment management agreement, the Client may incur leverage in its investment program, whether directly through the use of borrowed funds, or indirectly through investment in certain types of financial instruments with inherent leverage, such as puts, calls and warrants, which may be purchased for a fraction of the price of the underlying securities while giving the purchaser the full benefit of movement in the market of those underlying securities. While such strategies and techniques increase the opportunity to achieve higher returns on the amounts invested, they also increase the risk of loss. To the extent the Client purchases securities with borrowed funds, its net assets will tend to increase or decrease at a greater rate than if borrowed funds are not used. The level of interest rates generally, and the rates at which such funds may be borrowed in particular, could affect the operating results of the Client. If the interest expense on this leverage were to exceed the net return on the investments made with borrowed funds, the Client's use of leverage would result in a lower rate of return than if the Client were not leveraged.

**Non-U.S. Securities, Commodities, Futures and Other Financial**

**Instruments:** The Firm may invest the Fund's assets in the securities of non-U.S. issuers and/or other non-U.S. financial instruments, including commodities, options, futures and currencies. To the extent that a portfolio invests in non-U.S. markets, the Firm may or may not hedge the portfolio's currency exposure, depending on the Firm's view of the currency.

**Market Volatility:** The profitability of the investments chosen by the Firm substantially depends upon the Firm correctly assessing the future price movements of stocks, bonds, options on stocks, and other financial instruments and the movements of interest rates. The Firm cannot guarantee that it will be successful in accurately predicting price and interest rate movements.

**Dependence Upon the Firm and the Principal; No Participation in Management:** Clients' success will depend on the management of the Firm and on the skill and acumen of its principal. If the principal should cease to participate in the Firm's business, the Firm's ability to select attractive investments and manage Clients' portfolios could be severely impaired.

**Broad Discretionary Power to Choose Investments and Strategies:** The Offering Documents give the Firm broad discretionary power to decide what investments Clients will make and what strategies they will use. While the Firm currently intends to use the strategies laid out in the Offering Documents, it is not obligated to do so, and it may choose any other investments and strategies that it believes are advisable.

**Lack of Insurance:** Client assets are not insured by any government or private insurer, except to the extent portions may be deposited in bank accounts insured by the Federal Deposit Insurance Corporation or with brokers insured by the Securities Investor Protection Corporation and such deposits and securities are subject to such insurance coverage (which, in any event, is limited in amount). Therefore, in the event of the insolvency of a depository or custodian, Clients may be unable to recover all of their funds or the value of securities so deposited.

**Competition:** The securities industry and the varied strategies and techniques to be engaged in by the Firm are extremely competitive and each involves a degree of risk. The Firm will compete with firms, including many of the larger securities and investment banking firms, which have substantially greater financial resources and research staffs.

**Investment Activities:** Investment activities involve a significant degree of risk. The performance of any investment is subject to numerous factors which are neither within the control of nor predictable by the Firm. Such factors include a wide range of economic, political, competitive and other conditions (including acts of terrorism and war) that may affect investments in general or specific industries or companies. In recent years, the securities markets have become increasingly volatile, which may adversely affect the ability of Clients to realize profits. As a result of the nature of the investing activities, it is possible that financial performance may fluctuate substantially from period to period.

**Material, Nonpublic Information:** By reason of their responsibilities in connection with other activities of the Firm and/or its affiliates, certain principals or employees of the Firm and/or its affiliates may acquire confidential or material non-public information or be restricted from initiating transactions in certain securities. The Firm will not be free to act upon any such information. Due to these restrictions, the Firm may not be able to initiate a transaction that it otherwise might have initiated and may not be able to sell an investment that it otherwise might have sold.

**Accuracy of Public Information:** The Firm may select investments for Clients, in part, on the basis of information and data filed by issuers with various government regulators or made directly available to the Firm by the issuers or through sources other than the issuers. Although the Firm evaluates such information and data and may seek independent corroboration when the Firm considers it is appropriate and when it is reasonably available, the Firm is not in a position to confirm the completeness, genuineness or accuracy of such information and data, and in some cases, complete and accurate information is not available. Investments may not perform as expected if information is inaccurate.

**Hedging Transactions.** Investments in financial instruments such as forward contracts, options, commodities and interest rate swaps, caps and floors, and other derivatives are commonly utilized by investment funds to hedge against fluctuations in the relative values of its portfolio positions as a result of changes in currency exchange rates, interest rates and/or the equity markets or sectors thereof. Any hedging against a decline in the value of portfolio positions does not eliminate fluctuations in the values of portfolio positions or prevent losses if the values of such positions decline, but establishes other positions designed to gain from those same developments, thus moderating the decline in the portfolio positions' value. Such hedging transactions also limit the opportunity for gain if the value

of the portfolio positions should increase. Moreover, it may not be possible to hedge against a fluctuation at a price sufficient to protect assets from the decline in value of the portfolio positions anticipated as a result of such fluctuations. For example, the cost of options is related, in part, to the degree of volatility of the underlying instruments or assets. Accordingly, options on highly volatile instruments or assets may be more expensive than options on other instruments or assets and of limited utility in hedging against fluctuations in their prices.

The Firm is not obligated to establish hedges for portfolio positions and may not do so. To the extent that hedges are implemented, their success is dependent on the Firm's ability to correctly predict movements in the direction of currency and interest rates and the equity markets or sectors thereof.

**Market or Interest Rate Risk.** The price of most fixed income securities move in the opposite direction of the change in interest rates. For example, as interest rates rise, the prices of fixed income securities fall. If a Client holds a fixed income security to maturity, the change in its price before maturity may have little impact on such Client's account performance; however, if a Client has to sell the fixed income security before the maturity date, an increase in interest rates could result in a loss to such Client.

**Call Option Risk.** Many bonds, including agency, corporate and municipal bonds, and all mortgage-backed securities, contain a provision that allows the issuer to "call" all or part of the issue before the bond's maturity date. The issuer usually retains this right to refinance the bond in the future if market interest rates decline below the coupon rate. There are three disadvantages to the call provision. First, the cash flow pattern of a callable bond is not known with certainty. Second, because the issuer will call the bonds when interest rates have dropped, a Client is exposed to reinvestment rate risk – a Client will have to reinvest the proceeds received when the bond is called at lower interest rates. Finally, the capital appreciation potential of a bond will be reduced because the price of a callable bond may not rise much above the price at which the issuer may call the bond.

**Maturity Risk.** In certain situations, the Firm, on behalf of certain Clients, may purchase a bond of a given maturity as an alternative to another bond of a different maturity. Ordinarily, under these circumstances, the Firm will make an adjustment to account for the interest rate risk differential in the two bonds. This adjustment, however, makes an assumption about how the interest rates at

different maturities will move. To the extent that the yield movements deviate from this assumption, there is a yield-curve or maturity risk. Another situation where yield-curve risk should be considered is in the analysis of bond swap transactions where the potential incremental returns are dependent entirely on the parallel shift assumption for the yield curve.

**Inflation Risk.** Inflation risk results from the variation in the value of cash flows from a security due to inflation, as measured in terms of purchasing power. For example, if the Firm, on behalf of certain Clients, purchases a 5-year bond in which it can realize a coupon rate of 5%, but the rate of inflation is 6%, then the purchasing power of the cash flow has declined. For all but inflation linked bonds, adjustable bonds or floating rate bonds, a Client is exposed to inflation risk because the interest rate the issuer promises to make is fixed for the life of the security. To the extent that interest rates reflect the expected inflation rate, floating rate bonds have a lower level of inflation risk.

**Risk of Default or Bankruptcy of Third Parties:** Clients may engage in transactions in securities, commodities and other financial instruments and assets that involve counterparties. Under certain conditions, the Client could suffer losses if a counterparty to a transaction were to default or if the market for certain securities, commodities or other financial instruments or assets were to become illiquid. In addition, the Client could suffer losses if there were a default or bankruptcy by certain other third parties, including brokerage firms and banks with which the Client does business, or to which securities, commodities or other financial instruments or assets have been entrusted for custodial purposes.

**Additional Counterparty Risk:** Many of the markets in which the Client effects its transactions are “over-the-counter” or “interdealer” markets. The participants in such markets are typically not subject to credit evaluation and regulatory oversight as are members of “exchange based” markets. This exposes the Client to the risk that a counterparty will not settle a transaction in accordance with its terms and conditions because of a dispute over the terms of the relevant contract or because of a credit or liquidity problem, thus causing the Client to suffer a loss. Such risk may be accentuated for contracts with longer maturities where events may intervene to prevent settlement, or where the Client has concentrated its transactions with a single or small group of counterparties.

**No Minimum Size of the Fund:**

The Fund may begin or continue operations without attaining or

maintaining any particular level of capitalization. At low asset levels, the Fund may be unable to make its investments as fully as would otherwise be desirable or to take advantage of potential economies of scale, including the ability to obtain the most timely and valuable research and trading information from securities brokers. It is possible that even if the Fund operates for a period with substantial capital, Fund Investors' redemptions could diminish the Fund's assets to a level that does not permit the most efficient and effective implementation of the Fund's investment program. As a result of losses or redemptions, the Fund may not have sufficient capital to diversify its investments to the extent desired or currently contemplated by the Firm.

**Liability of a Fund Investor for the Return of Capital Contributions:** If the Fund should become insolvent, the Fund may be required to return any property distributed to it at the time the Fund was insolvent, and forfeit its capital accounts.

**Delayed Schedule K-1s:** The Firm will endeavor to provide a Schedule K-1 to each Fund Investor of the Fund for any given calendar year prior to April 15 of the following year. In the event that the Schedule K-1 is not available by such date, a Fund Investor may have to request an extension of time to file or may have to pay taxes based on an estimated amount.

**Cyber Security Breaches and Identity Theft:** Firm information and technology systems may be vulnerable to damage or interruption from computer viruses, network failures, computer and telecommunication failures, infiltration by unauthorized persons and security breaches, usage errors by its professionals, power outages and catastrophic events such as fires, tornadoes, floods, hurricanes and earthquakes. Although the Firm has 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, the Firm 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 the Firm's 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 the Firm's reputation or subject it or its affiliates to legal claims and otherwise affect their business and financial performance.

**Volatility of Currency Prices:** The Firm's ability to properly hedge the currency exposure of Shareholders holding JPY Shares substantially depends upon the Firm's ability to execute trades that

correctly manage the future price movements of such currencies. However, price movements of currencies and the foreign exchange markets in which they trade are highly volatile, and can be challenging to hedge accurately because they are influenced by, among other things, changing supply and demand relationships; governmental, trade, fiscal, monetary and exchange control programs and policies; a wide range of national and international economic, political, competitive and other conditions (including acts of terrorism and war); and changes in interest rates. Governments, from time to time, intervene in certain markets in order to influence prices directly. The Firm cannot guarantee that it will be successful in accurately hedging currency prices.

**Epidemic or Serious Public Health Event Risk:** The Firm's business may be affected by outbreaks of an infectious disease, pandemic or any other serious public health concern, including diseases such as severe acute respiratory syndrome, avian influenza, H1N1/09, and, most recently, the coronavirus COVID-19, or other similarly infectious diseases. Such events have the potential to significantly adversely affect or cause uncertainty in financial markets and businesses, including the Firm's business, and may adversely affect the performance of the global economy, including causing market volatility, market and business uncertainty and closures, supply chain and travel interruptions, the need for employees and vendors to work at external locations, and extensive medical absences. Any of the foregoing may therefore materially adversely affect the performance of the Firm, its affiliates, personnel, clients, and their respective investment activities. The Firm has policies and procedures to address known situations, but because such an event may create significant market and business uncertainties and disruptions, the Firm cannot predict the likelihood of such epidemics or serious public health events occurring in the future nor how such events may affect clients.

**Electronic Trading Facilities.** A Client may make use of electronic trading facilities (including ECNs), which are generally supported by computer-based component systems for the order-routing, execution, matching, registration or clearing of trades. As with all facilities and systems, they are vulnerable to temporary disruption or failure. Trading on an electronic trading system (including an ECN) may differ not only from trading in an open-outcry market or telephonic market but also from trading on other electronic trading systems. A Client, in undertaking transactions on an electronic trading system, will be exposed to risk associated with the system including the failure of hardware and software. The result of any system failure may be that the Clients' order is either not executed

according to its instructions or is not executed at all. The Clients' ability to limit or recover certain losses may be subject to limits on liability imposed by, without limitation, foreign or domestic law or regulation, the Clients' own or its broker's internet service provider, other systems providers, market factors, foreign or domestic banking or other market regulations and/or telephonic or other communications providers, foreign or domestic.

**Timing Strategy.** To a certain extent, a Client's strategy is one of timing. From time to time, Clients may be unable to execute certain strategic trades when desired. Further, the timing of trades may be impacted by matters beyond the Clients' control, including, without limitation, errors or problems with respect to execution by its brokers, trade mechanisms or trading technology.

**Technology Risk.** The Firm's investment strategy may rely on the use of proprietary and non-proprietary software, data and intellectual property. Any such reliance on this technology and data is subject to a number of important risks. First, the Clients may be severely and adversely affected by the malfunction of the technology and/or data feed. For example, an unforeseeable software or hardware malfunction could occur, as a result of a virus or other outside force, or as result of a design flaw in the Clients' system or in its continued implementation. In the past, occurrences of this nature to other funds have sometimes resulted in dramatically negative consequences for the portfolio of the related fund. In addition, changes in the market for publicly available data or in regulatory reporting requirements could cause a severe diminution in the data available for the technology to operate as designed. Such events can also have dramatically negative consequences for the Clients. Furthermore, if any of the Clients' software, hardware, data and/or other intellectual property is found to infringe on the rights of any third party, the Clients could be severely and adversely affected.

**Reliance on Computational Trading Systems.** Trading decisions will be based, at least in part, on computational analysis generated by the Firm. The profitability of computational analysis varies with the accuracy of the forecasts of price moves of the Clients' investments, whether short-term or long-term. No assurance can be given of the accuracy of the forecasts. In addition, the calculations that underlie the Firm's trading systems, methods, and strategies may involve extensive use of computers. In general, the use of a computer in collating information or in developing and operating a trading method does not assure the success of the method because a computer is merely an aid in compiling and organizing trade information and executing algorithms generated by human beings.



In addition, while rare, data sources employed by the Firm for the generation of the trading signals may supply erroneous daily data, and an input error may generate an incorrect trading signal. No assurance is given that the trading decisions based on computer generated information will produce profits for the Clients. It is possible that required data may not be delivered in a timely manner due to equipment malfunctions or other causes beyond the control of the Firm, including, without limitation, interruption or failure of telecommunication or digital transmission links, including delays or failures due to internet service provider(s), hostile network attacks, network congestion or other similar failures.

**Stops.** Clients may use stops as part of its trading strategy. Buy-stops are orders for securities that are placed at a predetermined price over the current price of the market. The order becomes a "buy at the market" order if the market is at or above the price of the stop order. Sell-stops are orders for securities that are placed with a predetermined price below the current price of the market. Sell-stop orders become "sell at the market" orders if the market trades at or below the price of the stop order. Though stops are generally a risk-mitigating mechanism, if the Firm were to place an initial stop too close to the entry point of a trade, the stop may minimize the effectiveness of the trade. In addition, the Firm may not execute stops at the same stop loss or stop limit that the Firm initially intended. The placement of contingent orders by the Firm, such as a "stop-loss" or "stop-limit" orders, will not necessarily limit the Clients' losses to the intended amounts, since market conditions may make it impossible to execute such orders. Finally, the Firm may elect not to use stops at all.

**Investments in Securities and Other Assets Believed to Be Undervalued.** The Firm's investment program contemplates that a portion of the Clients' portfolio may be invested in securities and other assets that the Firm believes to be undervalued. The identification of such investment opportunities is a difficult task, and there are no assurances that such opportunities will be successfully recognized or acquired. While such investments offer the opportunities for above-average capital appreciation, they also involve a high degree of financial risk and can result in substantial losses. Returns generated from the Clients' investments may not adequately compensate for the business and financial risks assumed. The current economic conditions and any future major economic recession can severely disrupt the markets for such investments and significantly impact their value. In addition, any such economic downturn can adversely affect the ability of the issuers of such obligations to repay principal and pay interest thereon and increase the incidence of default for such securities. Additionally, there can

be no assurance that other investors will ever come to realize the value of some of these investments, and that they will ever increase in price. Furthermore, the Clients may be forced to hold such investments for a substantial period of time before realizing their anticipated value. During this period, a portion of the Clients' funds would be committed to the investments made, thus possibly preventing the Clients from investing in other opportunities.

**Risks of Investment in Private Companies.** Clients' investment portfolio may contain financial instruments issued by privately-held companies, and operating results of such companies in a specified period will be difficult to predict. Such investments involve a high degree of business and financial risk which can result in substantial losses for the Clients.

- (C) **Security-Specific Risks:** Please see the response to Item 8.(B), above.

**Item 9. Disciplinary Information:**

Neither the Firm nor any of its supervised persons has been involved in any legal or disciplinary event that is material to a Client's or prospective Client's evaluation of the Firm's advisory business or the integrity of the Firm's management.

**Item 10. Other Financial Industry Activities and Affiliations:**

(A) Neither the Firm nor any of its management persons has an application pending to register as a broker-dealer or is a representative of a broker-dealer.

(B) Neither the Firm nor any of its management persons are applying to register with the National Futures Association, although, when relevant, will make the appropriate filings.

(C) Please refer to Item 4.(B) for a list of the Funds' General Partners.

(D) The Firm does not recommend or select other investment advisers for its Clients.

**Item 11. Code of Ethics, Participation or Interest in Client Transactions, Personal Trading, and Privacy Policy:**

- (A) **Code of Ethics:** A copy of the code of ethics (the "**Code of Ethics**") is available upon request to Fund Investors/prospective Fund

Investors or Clients/prospective Clients (collectively in this section, “Advisory **Clients**”).

The Code of Ethics is based upon the premise that all the Firm personnel have a fiduciary responsibility to render professional, continuous and unbiased investment advisory service. The Code of Ethics requires all personnel to: (1) comply with all applicable laws and regulations; (2) observe all fiduciary duties and put Client interests ahead of those of the Firm; (3) observe the Firm's personal trading policies so as to avoid “front-running” and other conflicts of interests between the Firm and its Advisory Clients; (4) ensure that all personnel have read the Code of Ethics, agreed to adhere to the Code of Ethics, and are aware that a record of all violations of the Code of Ethics will be maintained by the Firm’s Chief Compliance Officer and that personnel who violate the Code of Ethics are subject to sanctions by the Firm, up to and including termination.

*Participation or Interest in Client Transactions:* The Firm recognizes that the personal securities transactions of its employees demand the application of a high code of ethics, and the Firm requires that all such transactions be carried out in a way that does not conflict with the interests of Client trading objectives. The Firm and its related persons may invest their personal funds in the Fund. Therefore, in order to address conflicts of interest, the Firm has adopted a set of procedures, included in its Code of Ethics, with respect to transactions effected by its officers, directors, partners, members and employees (hereafter in this section, “**Employees**”) for their personal accounts. In order to monitor compliance with its personal trading policy, the Firm has adopted a quarterly securities transaction reporting system for all of its Employees. For purposes of the policy, an Employee’s “personal account” generally includes any account (a) in the name of the Employee, his/her spouse, his/her minor children or other dependents residing in the same household, (b) for which the Employee is a trustee or executor, or (c) which the Employee controls, including the Firm’s Client accounts which the Employee controls and in which the Employee or a member of his/her household has a direct or indirect beneficial interest.

Associated persons of the Firm may recommend to Advisory Clients the purchase or sale of investment products in which it or a related person may have some financial interest, including but not limited to, the receipt of compensation by the Firm. Records will be maintained of all securities bought and sold by associated persons and related persons.

Additionally, the Code of Ethics sets forth the Firm's policies and procedures with respect to material, non-public information and other confidential information, and the fiduciary duties that the Firm and each of its Employees has to each of its Advisory Clients. The Code of Ethics is circulated to all new Employees and to existing Employees at least annually. Each Employee, at least annually, must certify in writing that he or she has received and followed the Code of Ethics and any amendments thereto.

*Personal Trading of Firm Employees:* Generally, employees are required to obtain pre-clearance prior to engaging in transactions involving municipal bonds, corporate bonds, municipal ETFs, corporate bond ETFs, and/or securities on Maritime's Restricted List in personal accounts ("Restricted Securities"). All precleared investments must be held for at least 30 days.

Upon approval of the Firm's Chief Compliance Officer, there are certain instances where employee accounts may trade parallel to a Client account and will be permitted to invest in otherwise Restricted Securities. In the event a Firm employee's personal account has been approved to trade parallel to a Client account, the Chief Compliance Officer or a designee of the CCO will review transactions on a monthly basis to verify compliance with the Firm's Code of Ethics and other Firm policies.

*Other Activities of the Firm and its Affiliates:* Neither the Firm, nor any affiliate or employee, is required to manage Client accounts as its sole and exclusive function. Each of them may engage in other business activities, including competing ventures and/or other unrelated employment. In addition to managing Client accounts, the Firm, and its respective affiliates or employees may provide investment advice to other parties and may manage other accounts in the future.

*Trade Error Policy:* The Firm has internal controls in place to prevent trade errors from occurring. On those occasions when such an error nonetheless occurs, the Firm will use reasonable efforts to correct the error. If the error cannot be corrected, the Firm will use reasonable efforts to make an adjustment in a manner it considers reasonable under the circumstances in its sole discretion. The Firm will endeavor to maintain a record of each trade error, including information about the trade and how such error was corrected or attempted to be corrected.

*Privacy Policy:* The Firm has adopted a privacy policy that explains the manner in which the Firm collects, utilizes and maintains

nonpublic personal information about Advisory Clients, as required under federal legislation.

Collection of Information and Disclosure of Nonpublic Personal Information: In an attempt to provide Advisory Clients with superior service, the Firm may collect several types of nonpublic personal information about Advisory Clients, including:

- Information from forms that Clients may fill out, such as subscription forms, questionnaires and other information provided by Advisory Clients in writing, in person, by telephone, electronically or by any other means. This information includes name, address, nationality, tax identification number, and financial and investment qualifications;
- Information Advisory Clients may give orally;
- Information about transactions within the Firm, including account balances, investments and withdrawals;
- Information about the amount Advisory Clients have invested, such as initial investment and any additions to and withdrawals from an investment in the Fund; and
- Information about any bank accounts Advisory Clients may use for transfers to or from Sub-Advised Funds.

The Firm does not sell or rent Client information. The Firm uses this information to conduct business with its Advisory Clients: to develop or enhance its products and services; to understand the financial needs of its Advisory Clients so that the Firm can provide such Advisory Clients with quality products and superior service; and to protect and administer its Advisory Clients' records, accounts and funds. The Firm does not disclose nonpublic personal information about its Advisory Clients to nonaffiliated third parties or to affiliated entities, except as permitted or required by law. For example, the Firm may share nonpublic personal information in the following situations:

- To service providers in connection with the administration and servicing of the Firm; this may include attorneys, accountants, auditors and other professionals. The Firm may also share information in connection with the servicing or processing of Fund transactions;

- To affiliated companies in order to provide Advisory Clients with ongoing personal advice and assistance with respect to the products and services Clients have purchased through the Firm and to introduce Advisory Clients to other products and services that may be of value to such Advisory Clients;
- To respond to a subpoena or court order, judicial process or regulatory authorities;
- To protect against fraud, unauthorized transactions (such as money laundering), claims or other liabilities; and
- Upon consent of a Client to release such information, including authorization to disclose such information to persons acting in a fiduciary or representative capacity on behalf of the Client.

Protection of Information:

- The Firm's policy is to require that all employees, financial professionals and companies providing services on its behalf keep Client information confidential.

The Firm maintains safeguards that comply with federal standards to protect Client information. The Firm restricts access to the personal and account information of Advisory Clients to those employees who need to know that information in the course of their job responsibilities. Third parties with whom the Firm shares Client information must agree to follow appropriate standards of security and confidentiality. The Firm's privacy policy applies to both current and former Advisory Clients. The Firm may disclose nonpublic personal information about a former Client to the same extent as for a current Client.

Changes to Privacy Policy:

The Firm may make changes to its privacy policy in the future. The Firm will not make any change affecting an individual without first sending that individual a revised privacy policy describing the change.

- (B) Please refer to Item 11.(A) above for information regarding whether the Firm or a related person recommends to Advisory Clients, or buys or sells for Client accounts, securities in which the Firm or a related person has a material financial interest.
- (C) Please refer to Item 11.(A) above for information regarding whether the Firm or a related person invests in the same securities (or related

securities, e.g., warrants, options or futures) that the Firm or a related person recommends to Advisory Clients.

- (D) Please refer to Item 11.(A) above for information regarding whether the Firm or a related person recommends securities to Advisory Clients, or buys or sells securities for Client accounts, at or about the same time that the Firm or a related person buys or sells the same securities for the Firm's own (or the related person's own) account.

**Item 12. Brokerage Practices:**

The factors that the Firm considers in selecting or recommending broker-dealers for Client transactions and determining the reasonableness of their compensation are described below:

- (A) **Factors Considered in Selecting or Recommending Broker-Dealers:** The Firm utilizes the services of one or more brokers who will execute Clients' brokerage transactions through another broker (or other broker and custodian who will clear the transactions or who are self-clearing). Securities transactions for the Fund are executed through brokers selected by the Firm in its sole discretion and without the consent of Clients. In placing portfolio transactions, the Firm will seek to obtain the best execution for Clients, taking into account the following factors: the ability to effect prompt and reliable executions at favorable prices (including the applicable dealer spread or commission, if any); the operational efficiency with which transactions are effected and the efficiency of error resolution, taking into account the size of order and difficulty of execution; the financial strength, integrity and stability of the broker; special execution capabilities; clearance; settlement; reputation; on-line pricing; block trading and block positioning capabilities; willingness to execute related or unrelated difficult transactions in the future; order of call; on-line access to computerized data regarding clients' accounts; performance measurement data; the quality, comprehensiveness and frequency of available brokerage and research products and services considered to be of value; the availability of stocks to borrow for short trades; and the competitiveness of commission rates in comparison with other brokers satisfying the Firm's other selection criteria. Any Sub-Advised Funds shall bear brokerage costs as set forth in the relevant investment management agreement.

1. **"Soft Dollar" Policy:** The term "soft dollars" refers to the receipt by an investment manager of products and services provided by brokers, without any cash payment by the investment manager, based on the volume of brokerage

commission revenues generated from securities transactions executed through those brokers on behalf of the investment manager's Clients. Soft dollars accumulated by the broker for the investment manager's use may then be used to pay for various products and services, including research and brokerage services. The availability of soft dollars from certain brokers presents investment managers with significant conflicts of interest, and may give incentives for investment managers to disregard their obligations to Clients (including, without limitation, their best execution obligations) when directing orders.

Section 28(e) of the Exchange Act ("**Section 28(e)**") provides a "safe harbor" to those investment managers who use soft dollars to obtain investment research and brokerage services. Although the Firm does not presently utilize soft dollars, in the event that it does in the future, it will do so solely to pay for products or services that fall within the safe harbor afforded by Section 28(e).

Products and services provided by broker-dealers with soft dollars may be utilized by the Firm and its respective affiliates in connection with the services they offer to other clients. Likewise, products and services provided by broker-dealers with soft dollars generated by other clients may be utilized by the Firm in performing its services for the Fund. The receipt of information, products or services by the Firm paid for with soft dollars are in addition to, and not in lieu of, the Management Fee and the Performance Allocation, respectively, and such fees and allocations will not be reduced as a consequence of the receipt of such products or services purchased with soft dollars.

- (a) When the Firm uses Client brokerage commissions (or markups or markdowns) to obtain research or other products or services, the Firm receives a benefit because the Firm does not have to produce or pay for the research, products or services.
- (b) The Firm may have an incentive to select or recommend a broker-dealer based on the Firm's interest in receiving the research or other products or services, rather than on Clients' interest in receiving most favorable execution.
- (c) The Firm may cause Clients to pay commissions (or markups or markdowns) higher than those charged



by other broker-dealers in return for soft dollar benefits (known as paying-up).

- (d) The Firm may use soft dollar benefits to service all Clients or only those Clients that paid for the benefits. The Firm may or may not seek to allocate soft dollar benefits to Clients proportionately to the soft dollar credits the accounts generate.
- (e) Regarding the types of products and services the Firm or any related persons acquired with Client brokerage commissions (or markups or markdowns) within the Firm's last fiscal year were not applicable as soft dollars were not used.
- (f) Regarding the procedures the Firm used during its last fiscal year to direct transactions to a particular broker-dealer in return for soft dollar benefits the Firm received were not applicable as soft dollars were not used.

## **2. Brokerage for Client Referrals:**

The Firm reserves the right to pay a fee or commission, in its sole discretion, to brokers or other persons who introduce Clients to the Firm, provided that any such fee or commission will be paid solely by the Firm or its affiliates and no portion thereof will be paid by Clients. As a result, the Firm may have an incentive to select or recommend a broker based on the Firm's interest in receiving Client referrals rather than on Clients' interest in receiving most favorable execution. Because such referrals, if any, are likely to benefit the Firm but will provide an insignificant (if any) benefit to Clients, the Firm will have a conflict of interest with Clients when allocating Client brokerage business to a broker who has referred Fund Investors to a Client. To prevent Client brokerage commissions from being used to pay referral fees, the Firm will not allocate Client brokerage business to a referring broker unless the Firm determines in good faith that the commissions payable to such broker are not materially higher than those available from non-referring brokers offering services of substantially equal value to Clients.

## **3. Directed Brokerage:**

- (a) The Firm does not recommend, request, or require a Client to direct the Firm to execute transactions through a specified broker-dealer.
- (b) The Firm does not permit a Client to direct the Firm to execute transactions through a specified broker-dealer.

(B) **Aggregation of Orders:** The Firm may aggregate purchase and sale orders of investments held by the Fund with similar orders being made simultaneously for other accounts or entities if, in the Firm's reasonable judgment, such aggregation is reasonably likely to result in an overall economic benefit to the Fund based on an evaluation that the Fund will be benefited by relatively better purchase or sale prices, lower commission expenses or beneficial timing of transactions, or a combination of these and other factors.

In many instances, the purchase or sale of investments for the Fund will be effected simultaneously with the purchase or sale of like investments for other accounts or entities. Such transactions may be made at slightly different prices, due to the volume of investments purchased or sold. In such event, the average price of all investments purchased or sold in such transactions may be determined, at the Firm's sole discretion, and the Fund may be charged or credited, as the case may be, with the average transaction price.

**Allocation of Trades:** The Firm generally seeks to allocate securities traded on behalf of Client accounts on a *pari passu* basis that have the same investment strategies. Securities within the same investment strategy shall be allocated amongst the Client accounts on a pro rata basis, based on the asset levels, factoring in leverage or other limitations, of the respective Client accounts. This pro rata allocation methodology is set on a periodic basis by senior management.

With regards to the Client accounts trading municipal bonds, for greater efficiency concerning trading and operations, in instances of trades of \$250m and below the Firm will typically trade securities in "round lots" of a minimum face amount of \$5,000. In an effort to maintain equitable allocation of securities, trade sizes of \$250,000 or less, when appropriate, will be allocated using a target allocation model for execution and operational efficiency. This is done by creating leverage limits per account as they would be more stable and more intuitive for trading to determine accurate values. The model employs a target model based on target percentage, leverage

target, LMV allowances and minimum cash balances required to assign trades smaller than 250 bonds to one of the muni funds trading *pari passu*. Each trade allocation will go through a check process to determine allocations and if accounts are allowed to participate (some may not be able to participate due to being at limits).

There may be certain instances where the Firm may deem it necessary to deviate from the sequential pro-rata allocation methodology. Some examples of these instances include:

- restricted securities pursuant to an account's investment guidelines
- odd lot trades
- corporate actions
- other exceptions

Maritime personnel shall engage in monthly monitoring of its securities allocations.

**Rebalancing Cross Trades:** A cross trade is a trade in which securities are sold or purchased directly between two of the Firm's advisory clients, as opposed to the clients purchasing the securities on the open market. The benefits of a cross trade to the clients are the elimination of brokerage costs. Also, clients may save on market impact costs or adverse movements in the stock due to the trade if it is a large block trade. Custody costs and transfer taxes may also be saved.

Periodically, the Firm may seek to adjust or rebalance investment accounts or portfolios in a manner consistent with investment objectives and strategy by effecting cross trades between or among investment accounts. Rebalancing of an account is usually necessary as a result of cash inflows or outflows but can be necessitated by other factors, including but not limited to when two clients use the same trading strategy. In such cases, the Firm may use an omnibus account structure to implement the trading. The executions are allocated to the sub accounts based on a predetermined fixed ratio in a *pari passu* (i.e. average price) fashion. This predetermined ratio changes in proportion to the cash inflows and outflows from both accounts respectively. When the fixed ratio changes, the Firm rebalances positions in the two subaccounts so that the new position amounts are consistent with the new allocation ratio.

In effecting such cross trades, the Firm seeks to reduce the transaction costs to its clients of such account adjustments. All such cross trades will be consistent with the investment objectives and policies of each investment account involved in the trades, and will

be effected at the closing market price for the security for the day upon which the cross trade is executed. Investment accounts involved in such cross trades will not pay any brokerage commissions or mark ups in connection with the trades, but may pay customary transfer fees (i.e., aggregate ticket charges) that are assessed through any unaffiliated broker dealers through which the trades are affected.

The Firm does not receive any compensation, other than its advisory fees as a result of engaging in a cross trade. The Firm does not sell securities to clients nor does it purchase securities from clients.

**Item 13. Review of Accounts:**

- (A) Mr. Anthony Buzzi, Chief Compliance Officer of the Firm, is generally aware of the holdings in each Client account on a continuous basis. Mr. Buzzi will review/monitor/trade accounts in his discretion to ensure conformity with Client objectives and guidelines, including in light of emerging trends and developments as well as market volatility or unusual market activity.
- (B) Please refer to Item 13.(A), above. For any Sub-Advised Funds, the Firm anticipates that reviews may also be triggered by changes in a Client's circumstances that are communicated to the Firm and/or Client request. Such Clients may be contacted periodically by the Firm to discuss the management and performance of their account.
- (C) The Firm typically provides periodic reports to Clients and Fund Investors. For example, reports showing performance are sent to Fund Investors monthly by the Firm and/or by the qualified custodian. In addition, realized gains/losses, interest and dividends earned are reported to Fund Investors annually. Each Fund Investor will also receive the following: (i) annual financial statements of the Fund, audited by an independent certified public accounting firm; (ii) in the discretion of the Firm or an affiliate of the Firm, a periodic letter and/or report discussing the results of the Fund; (iii) copies of such Fund Investor's Schedule K-1 to the Fund's tax returns; and (iv) other reports as determined by the Firm or an affiliate of the Firm in its sole discretion.

**Item 14. Client Referrals and Other Compensation:**

- (A) The Firm does not receive, from any non-Client, any economic benefit associated with advising Clients.

- (B) The Firm compensates third-party placement agents for client referrals, provided that, to the extent required, each such placement agent has entered into a written agreement with the Firm. For their referral services, and as described in the agreement with the placement agents, the placement agents may receive compensation on all capital commitments raised and accepted by the Funds from referred investors in the form of a percentage of the management and/or performance fee received from the applicable client with respect to the referred investors. Due to the agreements the Firm has with the placement agents, the placement agents have an incentive to recommend the Firm, resulting in a material conflict of interest. The Firm may enter into similar referral arrangements for referrals of Sub-Advised Funds.

**Item 15. Custody:**

The Firm acts as an investment adviser to the Funds and has affiliated parties that act as General Partners of the same, therefore, the Firm is deemed to have custody of certain client assets under current applicable regulatory interpretations. As such, and as required by the safekeeping requirement in Rule 206(4)-2 of the Advisers Act, as amended, the Firm maintains the Funds' assets at a qualified custodian. On an annual basis, the Firm and/or the Funds send GAAP-compliant audited financial statements to Funds Investors within 120 days of the Funds' fiscal year end for the Funds.

The Firm does not have custody of the assets of the Sub-Advised Funds. To the extent the Firm may be deemed to have custody of sub-advisory client assets under the Custody Rule, the Firm will comply with the safekeeping requirement the Custody Rule.

**Item 16. Investment Discretion:**

The Firm has discretionary investment authority over Client assets that are managed by the Firm.

**Item 17. Voting Client Securities – Proxy Policy:**

- (A) Due to Maritime's systematic algorithmic trading model, which may involve high turnover of individual securities and ownership of a large number of relatively small positions, Maritime has determined not to exercise voting authority over Client proxies. Maritime may determine under certain circumstances that it is in the best interest of its Clients and may in those instances vote client proxies. If Maritime determines that special circumstances exist under which it would be in its Clients' best interest to vote a specific proxy,

Maritime will retain as part of its books and records a copy of the proxy, the vote instructed on behalf of its Clients, a description of the special circumstances for which Maritime is voting the proxy and any other related and relevant books and records as may be required for an investment adviser registered with the SEC under the Advisers Act.

- (B) Clients and Fund Investors may obtain information regarding how Maritime voted its securities by requesting records from the Chief Compliance Officer, who is responsible for retaining all records relating to proxy voting. Additionally, Clients and Fund Investors may obtain a copy of the Firm's Proxy Voting Policies and Procedures, which are included in the Firm's Compliance Manual, upon request of the Chief Compliance Officer.

**Item 18.     Financial Information:**

- (A) The Firm does not solicit prepayment of more than \$1,200 in fees per Client six months or more in advance.
- (B) The Firm has discretionary authority over Client funds or securities. The Firm does not believe that there are any financial conditions reasonably likely to impair the Firm's ability to meet contractual commitments to Clients.
- (C) The Firm has not been the subject of a bankruptcy petition during the past ten years.