

SummerHaven Investment Management, LLC

March 28, 2024

This firm brochure (this “Brochure”) provides information about the qualifications and business practices of SummerHaven Investment Management, LLC (“SummerHaven”), an investment adviser registered with the United States Securities and Exchange Commission (the “SEC”). If you have any questions about the contents of this Brochure, please contact us at (203) 352-2700. This information has not been approved or verified by the SEC or by any state securities authority.

Additional information about SummerHaven is also available on the SEC’s website at www.adviserinfo.sec.gov.

Registration with the SEC or with any state securities authority does not imply a certain level of skill or training.

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ITEM 2 – MATERIAL CHANGES

SummerHaven filed its last update to this Brochure on March 30, 2023. SummerHaven has updated the Brochure to reflect certain routine updates and clarifying changes.

As of the day of this filing, Babu Sonti will serve as the Chief Compliance Officer. He will continue to serve as the Chief Technology Officer (CTO) and Chief Operating Officer (COO).

Robert Deiter will continue to serve as the Chief Financial Officer (CFO).

Current and prospective investors are urged to review the Brochure in its entirety.

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ITEM 4 – ADVISORY BUSINESS

SummerHaven is an investment management firm that was formed under the laws of the State of Delaware in April 2009. Its principal place of business is located in Stamford, Connecticut. SummerHaven's principals are Kurt J. Nelson and K. Geert Rouwenhorst. SummerHaven is a member of the National Futures Association ("NFA"), identification number 0413923, and has been registered with the Commodity Futures Trading Commission (the "CFTC") as a commodity trading advisor and as a commodity pool operator since October 9, 2009. SummerHaven became registered as an investment adviser with the SEC on September 12, 2017.

SummerHaven currently provides advisory services on a discretionary basis to certain clients that trade in commodity interests, and, in certain cases, U.S. Treasury obligations (collectively, the "Commodity Accounts"). SummerHaven also provides discretionary sub-advisory services in respect of securities to separately managed accounts (together, the "Securities Client SMAs", and collectively with the Commodity Accounts, the "Clients").

It is in SummerHaven's discretion to tailor its advisory clients to the needs of the Clients.

As of December 31, 2023, SummerHaven had approximately \$156,771,224 of regulatory assets under management ("RAUM"), all on a discretionary basis. Such RAUM amount excludes approximately \$536MM assets under management attributable to the Commodity Accounts since the Commodity Accounts do not meet the definition of "securities portfolios", as such term is defined in the instructions to Form ADV Part 1A.

ITEM 5 – FEES AND COMPENSATION

For the provision of its investment advisory services to each Securities Client SMA, SummerHaven receives an asset-based investment management fee equal to 0.20% per annum of the Securities Client SMA's net assets (together, the "Management Fees"). The Management Fees are calculated as of the last day of each month and paid within 30 days after the end of each calendar quarter. The amount of the Management Fees payable to SummerHaven was negotiated with the holders of the Securities Client SMAs.

The expenses borne by the Securities Client SMAs were individually negotiated and are set forth in the respective investment management agreements with the holders of the Securities Client SMAs.

The allocation of expenses by SummerHaven between it and any Client and among Clients represents a conflict of interest for SummerHaven. SummerHaven has adopted and implemented an expense allocation policy that is designed to address this conflict in seeking to ensure that expenses are allocated in a fair and equitable manner.

ITEM 6 – PERFORMANCE-BASED FEES AND SIDE-BY-SIDE MANAGEMENT

The Securities Client SMAs do not pay any performance-based compensation to SummerHaven.

SummerHaven devotes as much of its time and effort to the affairs of the Securities Client SMAs as, in its judgment, is necessary to seek to accomplish the purposes of the Securities Client SMAs. However, SummerHaven and its directors, members, partners, shareholders, managers, officers, employees, agents, affiliates and representatives (collectively, the “Affiliated Parties”) may conduct any other business, including any business within or outside the securities and commodities industries, whether or not such business is in competition with of the Securities Client SMAs. Without limiting the generality of the foregoing, any of the Affiliated Parties may act as general partner, investment adviser or investment manager for others, may manage funds, separate accounts or capital for others, may have, make and maintain investments in their own name or through other entities and may serve as an officer, director, consultant, partner or stockholder of one or more investment funds, partnerships, securities firms or advisory firms. In this regard, as noted in Item 4, SummerHaven currently serves as investment manager or sub-investment manager, as applicable, to the Commodity Accounts. As a result of the foregoing, the Affiliated Parties may have conflicts of interest in allocating their time and activity between the Securities Client SMAs and its other Clients, including ones in which the Affiliated Parties may have a greater financial interest.

SummerHaven has adopted and implemented policies and procedures intended to address conflicts of interest relating to the management of multiple accounts, including accounts with different fee arrangements, as well as the allocation of investment opportunities. These policies and procedures establish guidelines for managing conflicts of interest, including, without limitation, the aggregation and allocation of trades, in seeking to ensure that all accounts with substantially similar investment objectives are treated fairly and equitably.

ITEM 7 – TYPES OF CLIENTS

SummerHaven manages the assets of the Securities Client SMAs and the Commodity Accounts on a discretionary basis.

With respect to each Client that is a pooled investment vehicle, any initial and additional subscription minimums are disclosed in the relevant offering documents of the Client. Minimum investment amounts have been instituted in respect of certain Clients, and may in the future be waived in the sole discretion of SummerHaven or the investment manager of the relevant Client, as applicable.

Although SummerHaven does not maintain a specific minimum dollar value of assets or other formal requirements for opening or maintaining a separately managed account, SummerHaven's account services are directed toward institutional investors who are prepared to invest a substantial amount in any such account.

ITEM 8 – METHODS OF ANALYSIS, INVESTMENT STRATEGIES AND RISK OF LOSS

The following is a summary of the investment strategies and methods of analysis that SummerHaven employs in managing the Securities Client SMAs' assets. A more detailed description of such strategies, methods and risks are set forth in each Securities Client SMA's investment management agreement with SummerHaven. These methods, strategies and investments involve risk of loss to the holders of the Securities Client SMAs and therefore those holders must be prepared to bear the loss of their entire investments.

Methods of Analysis; Investment Strategy of Securities Client SMAs

In respect of each Securities Client SMA, SummerHaven employs an investment strategy that seeks to achieve the particular investment objectives of the relevant Securities Client SMA as set forth in its investment management agreement with SummerHaven. The investment objectives and strategies of the Securities Client SMAs are summarized below.

In respect of each Securities Client SMA, SummerHaven employs a "passive management" or "indexing" investment approach designed to track the price and yield performance, before fees and expenses, of the SummerHaven Private Equity Strategy IndexSM ("SHPEI"). SHPEI includes common stocks of micro-, small-, and mid-capitalization U.S. companies. The market capitalization range of SHPEI may fluctuate between rebalancing periods. The companies comprising SHPEI are listed on U.S. stock exchanges.

SHPEI attempts to replicate the long-term (*i.e.*, 10 years or more) return characteristics of diversified private equity allocations. SHPEI is designed to include publicly-traded companies that possess characteristics similar to the companies that private equity firms have historically selected for investment, as well as companies that SummerHaven Index Management, LLC ("SummerHaven Index Management"), the index provider and a wholly owned subsidiary of SummerHaven, believes private equity firms are likely to select for investment in the future. However, SHPEI does not include, and the Securities Client SMAs do not invest in, private equity funds or private equity of companies.

SHPEI is constructed using a proprietary methodology developed by SummerHaven Index Management. The proprietary methodology favors companies with low enterprise value to earnings before interest, taxes, depreciation, and amortization ("EV/EBITDA") ratios; low net equity issuance; low market capitalization; and moderate profitability. From a universe of approximately 3,000 U.S. companies, SummerHaven applies proprietary screens to determine an investable universe. SHPEI includes approximately 200 companies of such investable universe.

Under normal market conditions, each Securities Client SMA generally invests substantially all, but at least 80%, of its total assets in the common stocks comprising SHPEI. Each Securities Client SMA generally invests in substantially all of the common stocks comprising SHPEI and in approximately the same proportions as SHPEI. SummerHaven expects that, over time, the correlation between each Securities Client SMA's performance and that of SHPEI, before fees and expenses, will be 95% or higher. However, there can be no guarantee that the Securities Client SMAs will achieve a high degree of correlation with SHPEI. A number of factors may affect the Securities Client SMAs' ability to achieve a high correlation with SHPEI. For example, the performance of the Securities Client SMAs and SHPEI may diverge due to transaction costs, asset valuations, timing variances, and differences between the respective portfolios of Securities Client SMAs and SHPEI resulting from other restrictions that apply to the Securities Client SMAs but not to SHPEI. In addition, the Securities Client SMAs may invest in cash, cash equivalents and money market instruments.

Each Securities Client SMA concentrates its investments (*i.e.*, invests 25% or more of the value of its total assets) in securities of issuers in any one industry or sector only to the extent that SHPEI reflects a concentration in that industry or sector. As of the date hereof, SHPEI is not concentrated.

Risk of Loss

The following summary identifies the material risks related to the investment strategies that are employed by SummerHaven for the Securities Client SMAs. However, the following does not intend to identify all possible risks or provide a full description of the identified risks.

Market Risk. The trading prices of equity securities fluctuate, sometimes rapidly and unpredictably, in response to a variety of factors. These factors include events impacting the entire market or specific market segments, such as political, market and economic developments, as well as events that impact specific issuers. The market value of portfolio holdings can be volatile and change quickly. The value of the Securities Client SMAs and market prices, like market prices generally, may fluctuate significantly in response to these and other factors. As a result, the Securities Client SMAs could lose money over short or long periods of time, including the possible loss of the entire principal amount of an investment.

Passive Investment Risk. Each Securities Client SMA invests in the securities included in SHPEI. The Securities Client SMAs do not attempt to outperform SHPEI or take defensive positions in declining markets. As a result, the Securities Client SMAs' performance may be adversely affected by a general decline in the economy or the stock market to a greater extent than if SummerHaven was able to successfully employ defensive strategies in such periods of decline. The Securities Client SMAs' performance may also be positively affected by general gains in the economy or the stock market to a lesser extent than if SummerHaven was able to successfully employ strategies to participate in such periods of gains.

Correlation to Index Risk. The performance of the Securities Client SMAs may not closely track the performance of SHPEI for a variety of reasons. There are a number of factors that may contribute to a Securities Client SMA's tracking error, such as Securities Client SMA expenses, imperfect correlation between the Securities Client SMA's investments and those of SHPEI, regulatory policies and/or portfolio turnover rate. Also, at any particular time that a Securities Client SMA's assets include cash, cash equivalents or money market instruments, the Securities Client SMA's returns may inadequately track the return that could have been generated by stocks included in SHPEI. Tracking error may cause the Securities Client SMAs' performance to be less than expected.

Correlation to Private Equity Returns Risk. SHPEI's or a Securities Client SMA's returns may not match or achieve a high degree of correlation with the return of investments in private equity funds or direct investments in private equity due to assumptions in SummerHaven Index Management's proprietary methodology that prove to be incorrect or asymmetries between investments in public equity versus private equity, such as the limited liquidity (or illiquidity), infrequency of valuations, and estimated valuations associated with private equity investments.

Private Equity Investing Risk. Each Securities Client SMA seeks to generate returns that mimic the returns of U.S. private equity funds, as measured by SHPEI. Because investing in private equity often carries a high degree of risk, the returns of private equity funds may be subject to greater volatility than the returns of investments in larger, more established public companies. Similarly, a Securities Client SMA's returns may experience greater volatility than investments in larger, more established public companies. Neither Securities Client SMA invests in private equity funds, nor does a Securities Client SMA invest directly in private equity.

Micro-, Small-, and Mid-Capitalization Risk. The securities of micro-, small-, and mid-capitalization companies may be more volatile and may involve more risk than the securities of larger companies because such smaller companies generally have a higher risk of failure. Smaller companies may have limited product lines, markets, or financial resources; may lack the competitive strength of larger companies; and may depend on a small number of key employees. The securities of smaller companies may trade less frequently and in smaller volumes than more widely-held securities. A Securities Client SMA may experience difficulty in liquidating positions in these securities at favorable prices or times. Some securities of smaller companies may be illiquid. These risks are greater when investing in micro- and small-capitalization companies. There may be less publicly-available information about smaller companies. Returns on investments in securities of smaller companies could be lower than the returns on investments in securities of larger companies.

Industry Concentration Risk. To the extent that SHPEI is concentrated in or significantly exposed to a particular industry or sector, the Securities Client SMAs will be more susceptible to loss due to adverse occurrences affecting that industry or sector. In such case, the Securities Client SMAs will be subject to the risk that economic, political or other conditions that have a negative impact on that industry or sector may adversely affect the Securities Client SMAs to a greater extent than if the Securities Client SMAs' assets were invested in a wider variety of industries or sectors.

Liquidity Risk. SummerHaven may not always be able to liquidate the Securities Client SMAs' investments at the desired price or time (or at all) or at prices approximating those at which such investments are currently valued. Illiquid securities may be difficult to value accurately. It is also difficult to execute a trade at a specific price when there is a relatively small volume of buy and sell orders in a market. The market for certain investments may become illiquid under adverse market or economic conditions independent of any specific adverse changes in the conditions of a particular issuer. Unexpected market illiquidity may cause major losses at any time or from time to time. Disposal of illiquid securities may entail transaction costs that are higher than those for liquid securities.

Cybersecurity Risk. The information and technology systems of SummerHaven and of key service providers to SummerHaven and its Clients may be vulnerable to potential 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 SummerHaven has implemented various measures designed 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, it may be necessary for SummerHaven to make a significant investment to fix or replace them and to seek to remedy the effect of these issues. The failure of these systems and/or of disaster recovery plans for any reason could cause significant interruptions in the operations of SummerHaven or its Client accounts and result in a failure to maintain the security, confidentiality or privacy of sensitive data, including personal information.

Risk Management Failures. Although SummerHaven attempts to identify, monitor and manage significant risks, these efforts do not take all risks into account and there can be no assurance that these efforts will be effective. Moreover, many risk management techniques, including those employed by SummerHaven, are based on historical market behavior, but future market behavior may be entirely different and, accordingly, the risk management techniques employed on behalf of Clients may be incomplete or altogether ineffective. Similarly, SummerHaven may be ineffective in implementing or applying risk management techniques. Any inadequacy or failure in risk management efforts could result in material losses to Clients.

Systems and Operational Risk. SummerHaven relies heavily on certain financial, accounting, data processing and other operational systems and services that are employed by SummerHaven and/or by third party service providers, including futures commission merchants, brokers and custodians, third party administrators, market counterparties and others. Many of these systems and services require manual input and are susceptible to error. These programs or systems may be subject to certain defects, failures or interruptions. For example, SummerHaven and its Clients could be exposed to errors made in the confirmation or settlement of transactions, from transactions not being properly booked, evaluated or accounted for or related to other similar disruptions in the Clients' operations. In addition, despite certain measures established by SummerHaven and third party service providers to safeguard information in these systems, SummerHaven, its Clients and their third party service providers are subject to risks associated with a breach in cybersecurity which may result in damage and disruption to hardware and software systems, loss or corruption of data and/or misappropriation of confidential information. Any such errors and/or disruptions may lead to financial losses, the disruption of the Client trading activities, liability under applicable law, regulatory intervention or reputational damage.

Effects of Health Crises and Other Catastrophic Events. Health crises, such as pandemic and epidemic diseases, as well as other catastrophes that interrupt the expected course of events, such as natural disasters, war or civil disturbance, acts of terrorism, power outages and other unforeseeable and external events, and the public response to or fear of such diseases or events, have and may in the future have an adverse effect on Clients' investments and SummerHaven's operations. For example, any preventative or

protective actions that governments may take in respect of such diseases or events may result in periods of business disruption, inability to obtain raw materials, supplies and component parts, and reduced or disrupted operations for Client portfolio companies. In addition, under such circumstances the operations, including functions such as trading and valuation, of SummerHaven and other service providers could be reduced, delayed, suspended or otherwise disrupted. Further, the occurrence and pendency of such diseases or events could adversely affect the economies and financial markets either in specific countries or worldwide.

ITEM 9 – DISCIPLINARY INFORMATION

SummerHaven entered into an exchange for related positions transaction on June 2, 2014. The Market Regulation Department of CME Group Inc. alleged that SummerHaven did not properly maintain documentation of the corresponding, simultaneous swap transaction, and therefore violated NYMEX Rule 538.H. On March 24, 2015, SummerHaven submitted an offer of settlement to the New York Mercantile Exchange Business Conduct Committee (the “BCC”) in which SummerHaven neither admitted nor denied the alleged violation. On April 15, 2015, SummerHaven presented the offer of settlement to a Panel of the BCC, which was supported by the Market Regulation Department. In accordance with the settlement offer, the BCC ordered SummerHaven to pay a fine of \$7,500 to the New York Mercantile Exchange. SummerHaven paid the fine on April 17, 2015, and the matter is now closed.

In May 2021, SummerHaven entered into a civil settlement with the Commodity Futures Trading Commission (CFTC) to resolve a matter from July 2018 involving two former partners, both of whom left the firm in 2019. SummerHaven submitted, and the CFTC accepted, an offer of settlement in which it, without admitting or denying any of the CFTC’s findings, agreed (a) to cease and desist from violating Section 4c(a)(I) and (2)(A) of the Act and CFTC Regulations 1.38(a) and 166.3 and (b) to pay a civil monetary penalty in the amount of Five Hundred Thousand Dollars (\$500,000.00) (“CMP Obligation”), plus any post-judgment interest. SummerHaven shall satisfy the CMP Obligation by making payments as follows:

- \$100,000 to be paid within 10 days of entry of the order;
- \$200,000 to be paid within 12 months of the date of entry of the order; and
- \$200,000 to be paid within 24 months of the date of entry of the order.

The former Managing Partner/Head of Trading and the former partner/Chief Compliance Officer identified in the Order in connection with the execution, supervision and approval of the alleged wash trades are no longer employed at SummerHaven as of December 2019.

SummerHaven entered into the settlement with the CFTC, without admitting or denying any of its findings or conclusions, to avoid protracted and costly litigation and to put this July 2018 legacy matter behind the firm. This course of action permits SummerHaven to focus on its core business and investors as its primary responsibility.

**ITEM 10 – OTHER FINANCIAL INDUSTRY
ACTIVITIES AND AFFILIATIONS**

SummerHaven is a member of the NFA, identification number 0413923, and has been registered with the CFTC as a commodity trading advisor and as a commodity pool operator since October 9, 2009. In addition, certain of SummerHaven's management persons are registered with the NFA as associated persons and/or principals of SummerHaven.

ITEM 11 – CODE OF ETHICS, PARTICIPATION OR INTEREST IN CLIENT TRANSACTIONS AND PERSONAL TRADING

SummerHaven has adopted a Code of Ethics (the “Code”) that sets forth SummerHaven’s standard of business conduct that takes into account its status as a fiduciary. The Code generally requires SummerHaven and its personnel including “Covered Persons” to place the interests of Clients above their own interests and to act honestly and fairly in all respects in their dealings with Clients. Among other things, the Code requires Covered Persons to comply with applicable federal securities laws. Further, Covered Persons are required to promptly bring violations (or possible violations) of the Code or any other policy or procedure set forth in SummerHaven’s compliance manual to the attention of SummerHaven’s Chief Compliance Officer. All Covered Persons are provided with a copy of the Code and are required to acknowledge receipt of the Code upon hire and on at least an annual basis thereafter. Covered Persons include any manager, partner, officer or director of SummerHaven and any employee or other supervised person of SummerHaven who provides securities and/or commodity trading advice on behalf of SummerHaven and is subject to the supervision and control of SummerHaven and who: (i) has access to non-public information regarding any purchase or sale of investments or non-public information regarding Client portfolio holdings; or (ii) is involved in making investment recommendations to Clients or has access to such recommendations that are non-public.

The Code also sets forth certain requirements and reporting obligations with respect to personal trading by Covered Persons. Specifically, Covered Persons are prohibited from engaging in transactions (including short sales) in personal accounts other than: (i) purchases or sales that are non-volitional on the part of a Covered Person, such as purchases or acquisitions arising from stock dividends, dividend reinvestments, stock splits, mergers, consolidations, tender offers or exercise of rights; (ii) purchases or sales pursuant to an “automatic investment plan” as such term is defined in the Code; (iii) purchases or sales of securities that are not “reportable securities” as such term is defined in the Code (*i.e.*, direct obligations of the government of the United States; bankers’ acceptances, bank certificates of deposit, commercial paper and high quality short-term debt instruments, including repurchase agreements; shares issued by money market funds; shares issued by registered investment companies, other than ETFs and other registered investment companies for which SummerHaven or its affiliates serves as investment manager, sub-adviser, commodity trading advisor and/or commodity pool operator (each, a “Reportable Fund”); and shares issued by unit investment trusts that are invested exclusively in one or more open-end funds, none of which is a Reportable Fund); (iv) transactions effected in any account over which the Covered Person has no direct or indirect influence or control (*i.e.*, blind trust, discretionary account or trust managed by a third party); and (v) purchases or sales of interests in privately-offered investment vehicles for which SummerHaven or its affiliates serves as investment manager, sub-adviser, commodity trading advisor and/or commodity pool operator. Further, no Covered Person may engage in more than 60 personal securities transactions during any 30-day period. Each Covered Person must provide the Chief Compliance Officer with: (i) an initial holdings report within 10 days of becoming a Covered Person; (ii) quarterly transaction reports; and (iii) an annual holdings report at least once each 12-month period after submitting the initial holdings report. In addition, each Covered Person must notify the Chief Compliance Officer promptly if the Covered Person opens any new account in which any securities are held with a broker or custodian or if the Covered Person moves such an existing account to a different broker or custodian.

SummerHaven forbids any Covered Person from trading, either personally or on behalf of others, including for the Clients, while in possession of material, non-public information. In addition, SummerHaven forbids any Covered Person from communicating material, non-public information received by it (including from existing or prospective Clients) to others in violation of the law. SummerHaven’s policy in respect of the prevention of insider trading extends to all Covered Persons’ activities within and outside their duties at SummerHaven.

SummerHaven and its Covered Persons may give and/or receive gifts, services or other items to/from any person or entity that does business with or potentially could conduct business with or on behalf of SummerHaven. SummerHaven has adopted policies and procedures governing gifts and business entertainment, which includes quarterly disclosure of gifts and business entertainment in excess of certain de minimis thresholds and pre-clearance by the Chief Compliance Officer prior to giving/receiving gifts above a certain de minimis threshold.

ITEM 12 – BROKERAGE PRACTICES

SummerHaven considers a number of factors in selecting a broker-dealer to execute transactions (or series of transactions) for the Securities Client SMAs and in determining the reasonableness of the broker-dealer's compensation. Such factors include, without limitation, reputation, financial strength and stability, creditworthiness, efficiency of execution and error resolution, the actual executed price and the commission, research (including economic forecasts, fundamental and technical advice on securities, valuation advice on market analysis); custodial and other services provided for the enhancement of SummerHaven's portfolio management capabilities; the size and type of the transaction; the difficulty of execution and the ability to handle difficult trades; and the operational facilities of the brokers and/or dealers involved (including back office efficiency). In selecting a broker-dealer to execute transactions (or a series of transactions) and determining the reasonableness of the broker-dealer's compensation in respect of a Securities Client SMA, SummerHaven need not solicit competitive bids and will not have an obligation to seek the lowest available commission cost. It is not SummerHaven's practice to negotiate "execution only" commission rates, thus a Securities Client SMA may be deemed to be paying for research, brokerage or other services provided by a broker-dealer which are included in the commission rate. SummerHaven's Chief Compliance Officer periodically evaluates the broker-dealers used by SummerHaven to execute trades for the Securities Client SMAs using the foregoing factors.

Research services within Section 28(e) may include, without limitation, research reports (including market research); certain financial newsletters and trade journals; software providing analysis of securities portfolios; corporate governance research and rating services; attendance at certain seminars and conferences; discussions with research analysts; meetings with corporate executives; consultants' advice on portfolio strategy; data services (including services providing market data, company financial data and economic data); advice from broker-dealers on order execution; and certain proxy services. Brokerage services within Section 28(e) may include, without limitation, services related to the execution, clearing and settlement of securities transactions and functions incidental thereto (*i.e.*, connectivity services between an adviser and a broker-dealer and other relevant parties such as custodians); trading software operated by a broker-dealer to route orders; software that provides trade analytics and trading strategies; software used to transmit orders; clearance and settlement in connection with a trade; electronic communication of allocation instructions; routing settlement instructions; post trade matching of trade information; and services required by the SEC or a self-regulatory organization such as comparison services, electronic confirms or trade affirmations.

To the extent that SummerHaven uses the Securities Client SMAs' commissions to obtain Section 28(e) eligible research and brokerage products and services, SummerHaven's Chief Compliance Officer will periodically review and evaluate the firm's soft dollar practices to determine in good faith whether, with respect to any research or other products or services received from a broker-dealer, the commissions used to obtain those products and services were reasonable in relation to the value of the brokerage, research or other products or services provided by the broker-dealer. This determination will be viewed in terms of either the specific transaction or SummerHaven's overall responsibilities to the accounts or portfolios over which SummerHaven exercises investment discretion.

The use of the Securities Client SMAs' commissions (or markups or markdowns) to obtain research and brokerage products and services raises conflicts of interest. For example, SummerHaven will not have to pay for the products and services itself. This creates an incentive for SummerHaven to select or recommend a broker-dealer based on its interest in receiving those products and services. To address these conflicts of interest, SummerHaven will execute the Securities Client SMAs' trades through broker-dealers that provide research and brokerage products to SummerHaven only if it is determined by SummerHaven's Chief Compliance Officer that the Securities Client SMAs' trades with such broker-dealers are otherwise consistent with seeking best execution.

SummerHaven may cause a Securities Client SMA 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), resulting in higher transaction costs for that Securities Client SMA.

Research and brokerage services obtained by the use of commissions arising from a Securities Client SMA's portfolio transactions may be used by SummerHaven in its other investment activities, including, for

the benefit of other Client accounts. SummerHaven does not seek to allocate soft dollar benefits to Client accounts proportionately to the soft dollar credits the accounts generate.

In some instances, SummerHaven may obtain a product or service that is used, in part, by SummerHaven for Section 28(e) eligible purposes and, in part, for other purposes. In such instances, SummerHaven will make a good faith effort to determine the relative proportion of the product or service used to assist SummerHaven in carrying out its investment decision-making responsibilities and the relative proportion used for administrative or other purposes outside Section 28(e). The proportion of the product or service attributable to assisting SummerHaven in carrying out its investment decision-making responsibilities will be paid through brokerage commissions generated by the relevant Securities Client SMA's transactions and the proportion attributable to administrative or other purposes outside Section 28(e) will be paid for by SummerHaven from its own resources or by the client in accordance with the client's investment management agreement or fund offering documents. The determination by SummerHaven of the appropriate allocation of "mixed use" products and services creates a potential conflict of interest between SummerHaven and the Securities Client SMAs.

SummerHaven often purchases or sells the same security for the Securities Client SMAs at or near the same time and using the same executing broker. In those instances, where appropriate, SummerHaven aggregates the Securities Client SMAs' orders. Such aggregation may enable SummerHaven to obtain for the Securities Client SMAs a more favorable price or a better commission rate based upon the volume of a particular transaction. In cases where trading or investment restrictions are in place in respect of a particular Securities Client SMA, SummerHaven may be precluded from aggregating the Securities Client SMAs' transactions. In such cases, the Securities Client SMAs will not receive the benefit of any possible commission discounts that might otherwise be available from an aggregated trade. When an aggregated order is completely filled, it will generally be allocated among the Securities Client SMAs in accordance with the aggregated order (or allocation statement determined by SummerHaven at the time of the determination of the aggregated order). If the order at a particular broker is filled at several different prices, through multiple trades, generally each Securities Client SMA will participate at the average price for all of SummerHaven's transactions in that security on a given business day or shorter period (as applicable), subject to odd lots, rounding and market practice, and transaction costs will be shared *pro rata* based on each Securities Client SMA's participation in the aggregated order. To the extent an order is price-averaged, a Securities Client SMA may pay a higher price than if SummerHaven did not aggregate the order with the other Securities Client SMA. If an aggregated order is only partially filled, it will generally be allocated among the Securities Client SMAs *pro rata* based on the aggregated order (or allocation statement determined by SummerHaven at the time of the determination of the aggregated order). Notwithstanding the foregoing, an aggregated order may be allocated following execution on a basis different from that specified in the aggregated order (or allocation statement determined by SummerHaven at the time of the determination of the aggregated order) if the reason for the different allocation is explained in writing and approved by the Chief Compliance Officer no later than the close of trading on the day on which the order was executed. Reasons for allocation on a basis different from that specified in the aggregated order (or allocation statement determined by SummerHaven at the time of the determination of the aggregated order) may include: available cash; liquidity requirements; legal regulatory reasons; or to avoid odd lots.

ITEM 13 – REVIEW OF ACCOUNTS

The Securities Client SMAs' portfolios are periodically reviewed by SummerHaven's Investment Committee to determine whether portfolio positions should be maintained in light of current market conditions. Matters reviewed include, but are not limited to, specific investments held, adherence to investment guidelines and the performance of each Securities Client SMA. The Investment Committee is comprised of Kurt J. Nelson and K. Geert Rouwenhorst.

Significant market events affecting the prices of one or more investments of a Securities Client SMA and/or changes in the investment objectives or guidelines of a Securities Client SMA may trigger reviews on other than a periodic basis.

The holders of the Securities Client SMAs receive monthly written reports from SummerHaven in accordance with the terms of their respective investment management agreements with SummerHaven.

ITEM 14 – CLIENT REFERRALS AND OTHER COMPENSATION

SummerHaven does not currently have any active solicitation agreements. If SummerHaven enters into any agreements with third parties for the purpose of soliciting prospective investors, such agreements will be conducted in a manner consistent with the Advisers Act Rule 206(4)-1 and relevant SEC guidance. All arrangements with solicitors must be approved by SummerHaven's Chief Compliance Officer.

ITEM 15 – CUSTODY

SummerHaven does not have custody of Client funds and securities. Clients receive periodic statements from the custodian that holds and maintains the Client's investment assets. SummerHaven urges each Client to carefully review such statements and compare such official custodial records to any account statements that SummerHaven may provide, as such statements may vary from custodial statements based on accounting procedures, reporting dates or valuation methodologies.

ITEM 16 – INVESTMENT DISCRETION

SummerHaven provides investment advisory services on a discretionary basis to its Clients. As further described in Item 4, it is in SummerHaven's discretion to tailor its advisory clients to the needs of the Clients.

Prior to assuming discretion in managing a Client's assets, SummerHaven enters into an investment management agreement or other agreement that sets forth the scope of its discretion.

If it appears that a trade error has occurred, SummerHaven will review the relevant facts and circumstances to determine an appropriate course of action. To the extent that trade errors occur, SummerHaven's error correction procedure is to ensure that Clients are treated fairly. SummerHaven has discretion to resolve a particular error in any manner that it deems appropriate and consistent with the above stated policy. In the event that a Client account incurs a trade error as a result of SummerHaven's violation of the standard of care that is applicable to the Client account, SummerHaven will reimburse the Client for losses attributable to such violation. Trade errors that do not result from SummerHaven's violation of the standard of care applicable to the Client account are borne by the Client account. SummerHaven is not responsible for the errors of other persons, including third party brokers and custodians, unless otherwise expressly agreed to by SummerHaven.

ITEM 17 – VOTING CLIENT SECURITIES

Summerhaven does not currently have authority to vote the Securities Client SMAs' securities. The Securities Client SMAs receive their proxies directly from their custodians. With respect to questions about a particular solicitation, the Securities Client SMAs can contact Babu Sonti, SummerHaven's Chief Compliance Officer, by telephone at (203) 352-2700.

ITEM 18 – FINANCIAL INFORMATION

SumerHaven does not have any financial commitments that impair its ability to meet contractual and fiduciary obligations to Clients and has not been the subject of a bankruptcy proceeding.