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**Part 2A of Form ADV  
(The “Brochure”)**

March 29, 2024

This Brochure provides information about the qualifications and business practices of Passaic Partners LLC (the “Adviser” or “Passaic”). Registration with the United States Securities and Exchange Commission (the “SEC”) does not imply a specific level of skill or training. If you have any questions about the contents of this Brochure, please contact the Adviser’s Chief Compliance Officer (“CCO”), Laurel Mason, at (201) 603-7208 or [lmason@passaicpartners.com](mailto:lmason@passaicpartners.com). This information has not been approved or verified by the SEC or by any state securities authority.

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

## **Item 2. Material Changes**

The Adviser does not believe there to have been any material changes between this Brochure and the previous version of this Brochure, which was filed on March 29, 2023. Our current and future investors are encouraged to read this Brochure, as well as all of the governing documents applicable to their current or prospective investment, in their entirety. To receive an additional current copy of this Brochure free of charge, please contact Laurel Mason at (201) 603-7208 or [lmason@passaicpartners.com](mailto:lmason@passaicpartners.com).

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#### **Item 4. Advisory Business**

The Adviser is an investment advisory firm with its principal place of business in Newark, New Jersey and organized as a limited liability company under the laws of the State of Delaware. The Adviser is owned by Joshua Silva, LPC Harvest, LP (“LPC”), and several other minority owners.

The Adviser provides discretionary investment advisory services to businesses, institutional clients (collectively, “Accounts”) and pooled investment vehicles (“Funds” and collectively referred to herein with Accounts as, “Clients”). The Adviser provides advice to Clients based on the specific investment objectives and strategies that are set forth in the investment management agreement (“IMA”), offering documents, fund prospectus or other governing documents applicable to the Client (collectively “Governing Documents”).

In addition to offering customized option-based solutions to Clients, the Adviser offers distinct investment strategies including the following: Purchase Power Protection (“PPP”), Long Short Replication strategy (“LSR”), Risk Premium Equity (“RPE”), Global Hedged Equity (“GHE”) and Global Risk Premium Equity (“GRPE”).

PPP is designed to provide investors with a liquid, multi-asset, low volatility return stream that outperforms CPI during periods of rising prices and seeks to reduce downside risk in periods of falling prices. PPP is a rules based, tactical investment strategy created to gain exposure to real assets quickly and efficiently while always maintaining exposure to multiple asset classes. The Adviser uses a proprietary model incorporating cross-asset implied volatilities to determine the current macro-environment and what asset classes will benefit from the present conditions. Based on this analysis the Adviser structures portfolios targeting low volatility and reduced market correlations. PPP is a liquid, long only strategy that has global macro and Commodity Trading Advisor (“CTA”) characteristics provided in a cost-effective manner.

The LSR strategy utilizes a combination of equity beta and equity optionality which seeks to provide daily liquidity and daily transparency, in a low-cost solution to lower a Client’s equity portfolio volatility. LSR is a quantitative, rules based, tactical investment strategy. LSR is designed to use equity beta and overlay it with the most optimal equity put purchasing strategy. Using the Adviser’s proprietary model, LSR will add equity exposure in low volatility environments, and reduce equity exposure in high volatility environments. The combination of these factors allows LSR to target 65% of the volatility in the S&P 500 index with S&P 500 like returns over a full market cycle.

RPE seeks attractive risk-adjusted returns relative to the S&P 500 over a full market cycle. The strategy seeks to reduce overall equity risk and add a relatively uncorrelated equity volatility risk premium. The Adviser implements a balanced investment approach combining exposure to growth (equities), yield (US T-Bills) and equity volatility risk premium alpha. All short option positions are fully covered or collateralized in order to eliminate any potential leverage.

The primary goal of the GHE strategy is to provide optimal downside protection with minimal drag on the upside return. By using a combination of equity beta and equity optionality, GHE seeks to provide daily liquidity, daily transparency, in a low-cost solution to lower an investor’s equity portfolio volatility. GHE is a quantitative, rules based, tactical investment strategy. GHE is designed to use equity beta and overlay it with the most optimal equity put purchasing strategy. Using the Adviser’s proprietary model, GHE seeks to add equity exposure in low volatility environments, and reduce equity exposure in high volatility environments. The combination of these factors allows GHE to target 65% of the volatility in the MSCI ACWI with MSCI ACWI like returns over a full market cycle.

The GRPE strategy seeks attractive risk-adjusted returns compared to the ACWI over a full market cycle. GRPE's portfolio is constructed to take advantage of the higher levels of implied volatility over realized volatility that exists in the US options market.

As of December 31, 2023, the Adviser has \$1,268,372,594 assets under management, all of which is managed on a discretionary basis.

#### **Item 5. Fees and Compensation**

The Adviser charges its Clients an asset-based investment management fee (the "Management Fee") based on the value of net assets under management. The Management Fee will be charged either monthly or quarterly in advance or in arrears depending on the particular strategy and the arrangement between the Adviser and the individual Client as set forth in the Governing Documents.

In addition to paying the Management Fee, Clients will be subject to other investment expenses, such as custodial charges, brokerage fees, commissions and related costs; interest margin expenses; taxes, duties and other governmental charges; transfer and registration fees or similar expenses; costs associated with foreign exchange transactions; other portfolio expenses; and costs, expenses and fees (including, investment advisory and other fees charged by investment advisers with, or funds in, which the Client's account invests) associated with products or services that may be necessary or incidental to such investments or accounts. It is important that each investor who is considering an investment to review the private placement memorandum, limited partnership agreement, management agreement, and/or subscription agreement (individually and collectively, the ("Governing Documents")) applicable to the Client for a complete and detailed description of the fees and expenses applicable to such investment.

The Adviser may waive or reduce the Management Fee for principals, employees or affiliates of the Adviser, relatives of such persons, and for certain large or strategic investors.

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

The Adviser does not charge performance-based fees.

#### **Item 7. Types of Clients**

As described in Item 4, The Adviser provides discretionary investment advisory services to businesses or institutional clients and pooled investment vehicles ("Clients"), intended for foundations, endowments, family offices and other sophisticated or institutional investors.

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

##### **Investment Objective and Strategy**

The Adviser utilizes a variety of methods and strategies to make investment decisions and recommendations. The methods of analysis include use of technical analytical tools and approaches as well as fundamental research.

For information regarding the Adviser's investment strategies, please refer to Item 4 above and the applicable Governing Documents, which must be reviewed carefully in connection herewith.

##### **Risk Factors**

The investment strategies the Adviser uses entail substantial risks, including, but not limited to, those identified below. Investors are advised to carefully review all risk factors described in the Governing Documents. The following is not intended to supersede the material contained in such documents nor identify all possible risks of an investment with the Adviser.

The Adviser utilizes a variety of methods and strategies to make investment decisions and recommendations. The methods of analysis include use of technical analytical tools and approaches as well as fundamental research.

For information regarding the Adviser's investment strategies, please refer to Item 4 above and the applicable Governing Documents, which must be reviewed carefully in connection herewith.

The Adviser may employ the following investment methods and techniques:

*Leverage.* Certain of the Adviser's investment programs utilize a significant amount of leverage on a Client's underlying collateral positions which may involve the borrowing of funds from brokerage firms, banks and other institutions in order to be able to increase the amount of capital available for marketable securities investments. Performance may be more volatile if a Client's account employs leverage.

*Option Trading.* The Adviser engages in various option trading investment strategies. Options are investments whose ultimate value is determined from the value of the underlying investment. Investing in options involves risk of loss, and every investor must be prepared to bear the loss of its entire investment. Options are a form of derivative instrument that often has risks similar to its underlying instrument and may have additional risks, including imperfect correlation between the value of the derivative and the underlying instrument, risks of default by the other party to certain transactions, magnification of losses incurred due to changes in the market value of the securities, instruments, currencies, indices or interest rates to which they relate, changes in the market's perception as to the future price behavior of the underlying asset, and risks that the instruments may not be liquid and could be difficult to value, or any combination thereof. In the case of the purchase of an option, the risk of loss of an investor's entire investment (i.e., the premium paid plus transaction charges) reflects the nature of an option as a wasting asset that may become worthless when the option expires. Where an option is written or granted (i.e., sold) uncovered, the seller may be liable to pay substantial additional margin, and the risk of loss is unlimited, as the seller may be obligated to deliver, or take delivery of, an asset at a predetermined price which may, upon exercise of the option, be significantly different from the market value, or make payment to cover a substantial cash settlement. Over-the-counter options generally are not assignable except by agreement between the parties concerned, and no party or purchaser has any obligation to permit such assignments. Certain of the over-the-counter market for options may be illiquid, particularly for relatively small transactions.

*Short Selling.* The Adviser engages in short selling strategies. In a short sale transaction, the Adviser sells a security it does not own in anticipation that the market price of that security will decline. The Adviser makes short sales in order to maintain flexibility and for profit.

*Short-Term Market Timing.* The Adviser engages in a short-term market timing investment strategy where the Adviser attempts to anticipate the market price of a security before the security's price reacts to market forces by analyzing macroeconomic and market trends.

*Interest Rate Risks.* Generally, the value of fixed-income securities changes inversely with changes in interest rates. As interest rates rise, the market value of fixed-income securities tends to decrease. Conversely, as interest rates fall, the market value of fixed-income securities tends to increase. This risk is greater for long-term securities than for short-term securities.

*Issuer-Specific Changes.* Changes in the financial condition of an issuer or counterparty, changes in specific economic or political conditions that affect a particular type of security or issuer, and changes in general economic or political conditions can increase the risk of default by an issuer or counterparty, which can affect a security's or instrument's value. The value of securities of smaller, less well-known issuers can be more volatile than that of larger issuers. Smaller issuers can have more limited product lines, markets, or financial resources.

*Lack of Diversification.* Client accounts will not be diversified among a wide range of types of securities, countries or industry sectors. Accordingly, Client portfolios are subject to more rapid change in value than would be the case if the Adviser were required to maintain a wider diversification among types of securities and other instruments.

*Relative Value Risk.* In the event that the perceived mispricings underlying the Adviser's relative value trading positions were to fail to converge toward, or were to diverge further from, relationships expected by the Adviser, Client accounts may incur a loss.

*Short Selling Risk.* The Adviser's investment program includes a significant amount of short selling. Short selling transactions expose the Adviser to the risk of loss in an amount greater than the initial investment, and such losses can increase rapidly. There is the risk that the securities borrowed by the Adviser in connection with a short sale would need to be returned to the securities lender on short notice. If such request for return of securities occurs at a time when other short sellers of the subject security are receiving similar requests, a "short squeeze" can occur, wherein the Adviser might be compelled, at the most disadvantageous time, to replace the borrowed securities previously sold short with purchases on the open market, possibly at prices significantly in excess of the proceeds received earlier.

*Trading Expenses.* The Adviser's primary strategy uses frequent trading which results in significantly higher commissions and charges to Client accounts due to increased brokerage, which will offset Client profits.

The risks associated with types of securities that are primarily recommended by the Adviser are set forth below.

*Derivatives.* Swaps, certain options and other custom derivative or synthetic instruments are subject to the risk of nonperformance by the counterparty to such instrument, including risks relating to the financial soundness and creditworthiness of the counterparty. In addition, investments in derivative instruments may require a high degree of leverage, meaning the overall contract value (and, accordingly, the potential for profits or losses in that value) is much greater than the modest deposit used to buy the position in the derivative contract. Derivative securities can also be highly volatile. The prices of derivative instruments and the investments underlying the derivative instruments may fluctuate rapidly and over wide ranges and may reflect unforeseeable events or changes in conditions, none of which can be controlled by the Client or the Adviser. Further, transactions in derivative instruments may not be undertaken on recognized exchanges, and may expose the Client's account to greater risks than regulated exchange transactions that may provide greater liquidity and more accurate valuation of securities.

*Fixed-Income and Debt-Related Securities.* Investment in fixed-income and debt-related securities, such as options on fixed-income indices, subject a Client's portfolio to the risk that the value of these securities overall will decline because of rising interest rates. Similarly, portfolios that hold such securities are subject to the risk that the portfolio's income will decline because of falling interest rates. Investments in these types of securities will also be subject to the credit risk created when a debt issuer fails to pay interest and principal in a timely manner, or that negative perceptions of the issuer's ability to make such payments will cause the price of that debt to decline. Lastly, investments in debt-related securities will also subject the investments to the risk that the securities may fluctuate more in price, and are less liquid than higher-rated securities because issuers of such lower-rated debt securities are not as strong financially, and are more likely to encounter financial difficulties and be more vulnerable to adverse changes in the economy.

*Illiquid Instruments.* Certain instruments may have no readily available market or third-party pricing. Reduced liquidity may have an adverse impact on market price and the Adviser's ability to sell particular securities when necessary to meet liquidity needs or in response to a specific economic event, such as the deterioration of creditworthiness of an issuer. Reduced liquidity in the secondary market for certain

securities may also make it more difficult for the Adviser to obtain market quotations based on actual trades for the purpose of valuing a Fund's or Client's portfolio.

*Security Futures and Options.* In connection with the use of futures contracts and options, there may be an imperfect correlation between the change in market value of a security and the prices of the futures contracts and options in the Client's account. In addition, the Adviser's investments in security futures and options may encounter a lack of a liquid secondary market for a futures contract and the resulting inability to close a futures position prior to its maturity date.

*Risk of Default or Bankruptcy of Third Parties.* Clients may engage in transactions in securities, commodities, other financial instruments and other assets that involve counterparties. Under certain conditions, a Client could suffer losses if a counterparty to a transaction were to default or if the market for certain securities, commodities, other financial instruments and/or other 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, other financial instruments and/or other assets have been entrusted for custodial purposes. For example, if the Clients' prime broker and custodian were to become insolvent or file for bankruptcy, the Funds could suffer significant losses with respect to any securities held by such firm.

These methods, strategies and investments involve risk of loss to Clients and Clients must be prepared to bear the loss of their entire investment.

The preceding risks do not purport to be a complete explanation of all the risks applicable to investing in the Adviser's products. Investors should review the terms of the applicable Governing Documents for additional information which may be unique to an individual Client before investing in a Fund or engaging the Adviser.

#### **Item 9. Disciplinary Information**

The Adviser has no legal or disciplinary events to disclose.

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

In addition to being a registered investment adviser with the SEC, the Adviser is a registered commodity trading advisor with the NFA.

The Adviser does not have any existing or pending affiliations with a broker-dealer or registered representative of a broker-dealer.

The Adviser does not have any existing or pending financial industry affiliations with a broker-dealer, Futures Commission Merchant ("FCM") or Commodity Pool Operator ("CPO").

The Adviser does not recommend or select other investment advisers for Clients, nor does the Adviser have other business relationships with advisers that create material conflicts of interest.

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

*Code of Ethics.* The Adviser has adopted a Code of Ethics (the "Code") in accordance with SEC requirements. The purpose of the Code is to identify the ethical and legal framework in which the Adviser and its personnel are required to operate and to highlight some of the guiding principles and mechanisms for upholding the Adviser's standard of business conduct. The Code is designed to ensure that all applicable personnel are aware of and adhere to the Adviser's policies and procedures. The description below is a

summary only. To receive an additional current copy of this Brochure free of charge, please contact Laurel Mason at (201) 603-7208 or [lmason@passaicpartners.com](mailto:lmason@passaicpartners.com)

***Standard of Business Conduct.*** The Adviser and its personnel have a fiduciary duty to its Clients, and in this fiduciary capacity, it must place the interests of our Clients before our own interests.

***Basic Principles.*** The Code is based on a few basic principles: (i) the Adviser and its personnel must place the interests of Clients above their own; (ii) the professional activities and personal investment activities of the Adviser's personnel must be consistent with the Code and avoid any actual or potential undisclosed material conflict between the interests of Clients and those of the Adviser or its personnel; (iii) the activities of the Adviser's personnel must be conducted in a way that avoids any abuse of any such person's position of trust with and responsibility to The Adviser and Clients; (iv) employees of the Adviser must not take any inappropriate advantage of their positions at the Adviser; and (v) the Adviser's personnel may not engage in any act, practice or course of conduct that would violate the provisions of Rule 204A-1 of the Investment Advisers Act of 1940, as amended (the "**Advisers Act**"), and other applicable securities laws.

***Conflicts of Interest.*** As a fiduciary, the Adviser has an affirmative duty of care, loyalty, honesty and good faith to act in the best interests of its Clients. The Adviser makes every effort to avoid conflicts of interest and fully disclose all material facts concerning any conflict of interest that may arise with respect to any of its Clients. The Adviser stresses that individuals subject to the Code must try to avoid situations that have even the appearance of conflict or impropriety.

***Insider Trading.*** The Adviser's personnel may not trade, either personally or on behalf of another, on material non-public information or communicate material non-public information to another person in violation of the law. This policy applies to all of the Adviser's personnel and extends to their activities both within and outside their duties for the Adviser. The Adviser has also implemented policies and procedures designed to detect and prevent insider trading.

***Personal Securities Transactions.*** All personnel must comply with the Adviser's policy on personal trading. Except with respect to certain securities (including certain mutual funds and fixed income securities) and with respect to certain accounts for which a person does not exercise investment discretion and in regards to certain automatic or non-volitional transactions, such as dividend reinvestment plans, personal securities transactions by the Adviser's personnel must be pre-approved by the Adviser's Chief Compliance Officer ("**Pre-Clearance Procedures**").

***Holdings and Transactions Reports.*** Every employee and access person must submit both initial and annual holdings reports to the Adviser's Chief Compliance Officer that disclose all covered securities held in any personal account. Every employee and access person must also submit a quarterly transaction report to the Chief Compliance Officer for each covered securities transaction in any personal account.

***Reporting of Violations.*** The Adviser has implemented policies and procedures whereby our Adviser's personnel are required to report any violation, apparent violation or potential violation of the Code to the Adviser's Chief Compliance Officer.

***Review and Enforcement.*** The Adviser's Chief Compliance Officer is responsible for ensuring adequate supervision over the activities of all persons who act on our behalf in order to prevent and detect violations of our Code of Ethics by such persons.

***Participation or Interest in Client Transactions.*** To the extent that the Adviser's related persons invest in the same securities that the Adviser or a related person recommends to a Client, such practices present a conflict where the Adviser or its related person is in a position to trade in a manner that could adversely affect the Clients. In addition to affecting the Adviser's or its related person's objectivity, these practices

by the Adviser or its related persons may also harm the Clients by adversely affecting the price at which the Client's trades are executed. The Adviser has adopted the foregoing Pre-Clearance Procedures in an effort to minimize such conflicts, which procedures may result in the denial of permission to execute a transaction if such transaction will have any adverse economic impact on a Client. In addition, the Code prohibits the Adviser or its personnel from executing personal securities transactions of any kind in any securities on a restricted securities list maintained by the Chief Compliance Officer, as discussed below. Trading in employee accounts will be reviewed by the Chief Compliance Officer, compared with transactions for the Client accounts and reviewed against the restricted securities list.

To the extent a supervised person of the Adviser buys or sells securities for a Client at or about the same time that such supervised person buys or sells the same securities for its own account, the supervised person must do so in accordance with the procedures described above in order to minimize the conflicts stemming from situations where the contemporaneous trading would result in an economic benefit for the Adviser or its supervised person to the detriment of the Client.

In addition, the Adviser may give advice or take action with respect to investments of one or more of our Clients that may not be given or taken with respect to our other Clients with similar investment programs, objectives and strategies. Accordingly, our Clients with similar investment strategies may not hold the same investments or achieve the same performance. The Adviser may also advise our Clients with conflicting programs, objectives or strategies. These activities may also adversely affect the prices and availability of other investments held or potentially considered for one or more Clients.

## **Item 12. Brokerage Practices**

The Adviser considers a number of factors in selecting a broker-dealer to execute transactions (or series of transactions) and determining the reasonableness of the broker-dealer's compensation. Such factors may include financial stability of the broker; the actual executed price of the security and the broker's commission rates; research, custodial and other services provided by such brokers and/or dealers that are expected to enhance the Adviser's general portfolio management capabilities; responsiveness, the size and type of the transaction; the difficulty of execution and the ability to handle difficult trades; the operational facilities of the brokers and/or the dealers involved; and the ability to handle a block order for securities and distribution capabilities. In selecting a broker-dealer to execute transactions (or series of transactions) and determining the reasonableness of the broker-dealer's compensation, the Adviser need not solicit competitive bids and does not have an obligation to seek the lowest available commission cost. It is not the Adviser's practice to negotiate "execution only" commission rates, thus a Client may be deemed to be paying for research, brokerage or other services provided by a broker-dealer which are included in the commission rate. The Adviser's Chief Compliance Officer and traders meet periodically to evaluate the broker-dealers used by the Adviser to execute Client trades using the foregoing factors.

Under certain circumstances, the Adviser will be directed to execute the Client's trades with a specified broker-dealer. When a Client directs the Adviser to use a specified broker-dealer to execute all or a portion of the Client's securities transactions, the Adviser treats the Client direction as a decision by the Client to retain, to the extent of the direction, the discretion the Adviser would otherwise have in selecting broker-dealers to effect transactions and in negotiating commissions for the Client's account. Although the Adviser attempts to effect such transactions in a manner consistent with its policy of seeking best execution, there may be occasions where it is unable to do so, in which case the Adviser will continue to comply with the Client's instructions. Transactions in the same security for accounts that have directed the use of the same broker may be aggregated. When the directed broker-dealer is unable to execute a trade, the Adviser may select broker-dealers other than the directed broker-dealer to effect Client securities transactions. A Client who directs the Adviser to use a particular broker-dealer to effect transactions should consider whether such direction may result in certain costs or disadvantages to the Client. Such costs may include

higher brokerage commissions (because the Adviser may not be able to aggregate orders to reduce transaction costs), less favorable execution of transactions, and the potential of exclusion from the Client's portfolio of certain foreign ordinary shares and/or small capitalization or illiquid securities due to the inability of the particular broker-dealer in question to provide adequate price and execution of all types of securities transactions. By permitting a Client to direct the Adviser to execute the Client's trades through a specified broker-dealer, the Adviser will make no attempt to negotiate commissions on behalf of the Client and, as a result, in some transactions such Clients may pay materially disparate commissions depending on their commission arrangement with the specified broker-dealer and upon other factors such as number of shares, round and odd lots and the market for the security. The commissions charged to Clients that direct the Adviser to execute the Client's trades through a specified broker-dealer may in some transactions be materially different than those of Clients who do not direct the execution of their trades. Clients that direct the Adviser to execute the Client's trades through a specified broker-dealer may also lose the ability to negotiate volume commission discounts on batched transactions that may otherwise be available to other Clients of the Adviser.

The Adviser often purchases or sells the same security for many Clients contemporaneously and may use the same executing broker. It is the Adviser's practice, where possible, to aggregate Client orders for the purchase or sale of the same security submitted contemporaneously for execution with the same floor broker. The Adviser may also aggregate in the same transaction, the same securities for accounts where the Adviser has brokerage discretion. Such aggregation may enable the Adviser to obtain for Clients a more favorable price or a better commission rate based upon the volume of a particular transaction. When an aggregated order is completely filled, the Adviser allocates the securities purchased or proceeds of sale pro rata among the participating accounts, based on the purchase or sale order. Adjustments or changes may be made under certain circumstances, such as to account for differences in Client objectives and strategies, risk tolerances, tax status and other criteria. If the order at a particular broker is filled at several different prices, through multiple trades, generally all such participating accounts will receive the average price and pay the average commission, subject to odd lots, rounding, and market practice. If an aggregated order is only partially filled, the Adviser's procedures provide that the securities or proceeds are to be allocated in a manner deemed fair and equitable to Clients. Depending on the investment strategy pursued and the type of security, this may result in a pro rata allocation to all participating Clients. Clients may be subject to clearing fees and ticket charges by executing brokers. Certain Clients that are part of a "wrap fee" program may be subject to asset-based transaction fees, in which they are typically charged a minimum fee per month, instead of paying brokerage commissions. The Adviser is not a sponsor of any wrap fee program. Clients that are part of a "wrap fee" program should consult with their program sponsor for details on fees and expenses applicable to such client.

### ***Research and Soft Dollars***

The Adviser uses "soft dollars" generated by our Clients to pay for research related services. In the event that the Adviser utilizes allocations of commission dollars, it will do so solely to pay for products or services that qualify as "research and brokerage services" within the "safe harbor" of Section 28(e) of the Securities Exchange Act of 1934, as amended.

### **Item 13. Review of Accounts**

Management personnel regularly review and monitor Client portfolios. Investors in Funds generally receive monthly statements while Accounts receive statements from their brokers and custodians on a monthly or quarterly basis as described in the applicable Clients' Governing Documents.

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

The Adviser has engaged a placement agent for introducing potential investors to certain Clients. Placement agents that solicit or refer potential investors to the Adviser are subject to a conflict of interest because they

will be compensated in connection with their solicitation activities. All placement agent fees will be fully disclosed to the solicited investors and Clients to the extent required under applicable law.

The Adviser may receive unsolicited research or other products or services other than execution (collectively the “Free Services”) at no apparent additional charge and not pursuant to any written “soft dollar” arrangement from a broker-dealer in connection with Client securities transactions. To the extent that the receipt of such Free Services is deemed an economic benefit or a “soft dollar” relationship, the Adviser will limit the Free Services to items that constitute research and brokerage within the meaning of Section 28(e). These services may create an incentive for the Adviser to select or recommend broker-dealers based on the Adviser’s interest in receiving the research or other products or services and may result in the selection of a broker-dealer on the basis of considerations that are not limited to the lowest commission rates and may result in higher transaction costs than would otherwise be obtainable by the Adviser on behalf of its Clients. Please see Item 12 for further information on the Adviser’s “soft-dollar” practices, including the Adviser’s procedures for addressing conflicts of interest that arise from such practices.

The Adviser makes cash payments to third-party solicitors for Client referrals. Where applicable, cash payments for Client solicitations will be structured to comply fully with the requirements of Rule 206(4)-1 under the Investment Advisers Act of 1940 (the “Advisers Act”) and related SEC staff interpretations.

#### **Item 15. Custody**

To the extent the Adviser is deemed to have custody of Client assets, the Adviser will comply with Rule 206(4)-2 under the Investment Advisers Act of 1940 by meeting the conditions of the pooled vehicle annual audit provision. Funds’ assets and securities are held at qualified custodians, or as otherwise permitted under the Custody Rule.

The Adviser urges its investors in any Fund to carefully review all statements and reports they receive and whenever possible to compare the same or similar information on different reports. Management personnel will be available to assist in reviewing and understanding any such reports.

#### **Item 16. Investment Discretion**

The Adviser will be provided with discretionary authority to manage the investment accounts of Clients as set forth in the Governing Documents.

#### **Item 17. Voting Client Securities**

To the extent the Adviser is delegated proxy voting authority on behalf of its Clients, the Adviser will comply with its proxy voting policies and procedures, which are designed to ensure that in cases where the Adviser votes proxies with respect to Client securities, such proxies are voted in the best interests of its Clients.

#### **Item 18. Financial Information**

##### *Balance Sheet*

The Adviser is not required to attach a balance sheet because it does not require or solicit the payment of fees six months or more in advance.

##### *Contractual Commitments to Our Clients*

The Adviser has no financial condition that is reasonably likely to impair its ability to meet contractual and fiduciary commitments to its Clients.

##### *Bankruptcy Petitions*

The Adviser has never been the subject of a bankruptcy petition.