

ITEM 1  
COVER PAGE

# Alatus Capital Ltd.

March 29, 2019

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This brochure provides information about the qualifications and business practices of Alatus Capital Ltd. (the “Adviser” or “Alatus”), an investment adviser registered with the United States Securities and Exchange Commission (the “SEC”). Registration with the SEC or with any state securities authority does not imply a certain level of skill or training.

If you have any questions about the contents of this brochure, please contact us at Rue Vallin 2, CH-1201 Geneva, Switzerland. Tel. +41 22 735 00 11. Fax +41 22 735 00 88. [www.alatus.ch](http://www.alatus.ch) Email: [info@alatus.ch](mailto:info@alatus.ch).

This information has not been approved or verified by the SEC or by any state securities authority. Alatus does not comply with the Investment Advisers Act of 1940, as amended, with regard to its non-U.S. Clients.

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

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ITEM 2  
**MATERIAL CHANGES**

Alatus is updating its Form ADV Part 2A as of March 29, 2019 to reflect certain changes to its previous Form ADV Part 2A dated March 29, 2018. In particular, this update includes changes to Items 4, 6, 8, 11 and 16, although there have been no material changes to Alatus' previous Form ADV Part 2A filing.

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ITEM 4  
**ADVISORY BUSINESS**

**Our Firm**

Alatus Capital Ltd. (the “Adviser” or “Alatus”) is an investment adviser organized as a Swiss limited company formed in 1997. With its principal place of business in Geneva, Switzerland, Alatus commenced its current operations as an investment adviser in January 2007. Alatus is regulated and authorized by the Swiss Financial Market Supervisory Authority (“FINMA”) as an asset manager of collective investment schemes.

Richard Vogel and Antoine Firmenich are the principal owners of Alatus. As of March 1<sup>st</sup>, 2019, Alatus managed approximately \$1.8 billion of Client net assets on a discretionary basis.

**Advisory Services**

Alatus provides investment advisory services on a discretionary basis to its clients (the “Clients”), including non-U.S. private investment funds (each a “Fund”, and collectively the “Funds”) and separately managed accounts (the “Accounts”) intended for sophisticated investors and institutional investors.

Alatus provides advice to Client accounts based on specific investment objectives and strategies. Under certain circumstances, certain Clients may impose restrictions on Alatus in relation to investing in certain securities or types of securities.

ITEM 5  
**FEES AND COMPENSATION**

**Asset-Based Compensation**

Alatus (or a related person of Alatus) is generally paid an asset-based investment management fee ranging from 0% to 2% per annum of the net assets of the respective Client account.

The investment management fees are charged either each month in arrears based on the total market value of the relevant Client account (including net unrealized appreciation or depreciation of investments and cash, cash equivalents and accrued interests) on the last day of each month, or each quarter in arrears based on the average net asset value of the relevant Client account over the relevant period as applicable. If a new client account is established during a month or quarter, as applicable, or a Client makes an addition or redemption to its account during a month or quarter, as applicable, the investment management fee will be prorated for the number of days remaining in the applicable period.

**Performance-Based Compensation**

Alatus (or a related person of Alatus) typically also receives an annual performance-based fee or allocation that is based on a share of capital gains on or capital appreciation of the assets of a Client account, or on the outperformance over a specified benchmark. This compensation may be paid or allocated to Alatus (or to a related person of Alatus) and typically ranges from 15% to 20%. Under certain circumstances, receipt of annual performance-based compensation may be subject to a hurdle rate which may differ for each Client account.

**Payment of Fees and Waiver of Fees**

With respect to the Funds, a third party administrator calculates and confirms the asset-based and performance-based compensations. Once calculated, the fees and allocations are deducted from the applicable Fund account. With respect to separately managed accounts, the asset-based and performance-based compensations may differ from the typical range and payment cycle detailed above and Clients are billed for fees incurred.

The asset-based and performance-based compensations described above are not negotiable. However, asset-based compensation or performance-based compensation assessed on investments in pooled investment vehicles by access persons of Alatus, its affiliates as well as their respective equity owners, directors, officers, employees and affiliates (collectively the "Alatus Group"), relatives of such persons and estate, charitable and family vehicles of the Alatus Group and such relatives and for certain large or strategic investors are reduced or waived entirely.

**Early Withdrawal Charge**

In certain cases, investors that withdraw or redeem from a Fund during or prior to a specified investment period are charged an early withdrawal fee up to 5%, which is for the benefit of the non-redeeming investors in the applicable Fund. To the extent a Fund assesses an early withdrawal or redemption fee, such fee is described in such Fund's offering documentation.

**Other Fees and Expenses**

In addition, each Client account will also pay its own expenses in accordance with the applicable Client's governing documents, including expenses and costs (i) of all transactions carried out by it or on its behalf and (ii) of the administration of the Client account, including (a) all of the charges and expenses of any legal and professional advisors, independent auditors, administrators and custodians, (b) all brokers' commissions and any issue and corporate fees payable to governments or agencies, (c) all reasonable legal and professional fees and expenses incurred by Alatus in connection with its services (d) all director fees, (if any) and expenses, (e) all interest on borrowings, including borrowings from the prime brokers, (f) all communication expenses with respect to investor services and all expenses of meeting of investors and of preparing, printing and distribution financial and other reports, proxy forms, prospectuses and similar documents, (g) all of the costs of insurance in favor of the directors (or the

general partner) of the relevant Fund(s), (h) all litigation and indemnification expenses and extraordinary expenses not incurred in the ordinary course of business, (i) taxes, duties and other governmental charges, (j) transfer and registration fees or similar expenses, (k) costs associated with foreign exchange transactions, (l) other portfolio expenses, (m) costs, expenses and fees associated with products or services that may be necessary or incidental to such investments or accounts and (n) all other organizational and operating expenses.

Client account assets may also be invested in money market mutual funds, ETFs or other registered investment companies. In these cases, the Client account will bear its pro rata share of the investment management fee and other fees of the fund, which are in addition to any fees or other compensation paid to Alatus.

In addition, Client accounts will incur brokerage and other transaction costs. Please refer to Item 12 for a discussion of Alatus' brokerage practices.

The allocation of expenses by Alatus between it and any Client and among Clients represents a conflict of interest for Alatus. Alatus has adopted an expense allocation policy that is designed to address this conflict. Alatus allocates expenses to each Client in accordance with the Client's arrangements with Alatus (including applicable Client disclosures). Alatus seeks to allocate shared expenses for products and services benefitting Alatus and the Client and not covered in the Client's arrangements in a fair and reasonable manner. Alatus allocates common Client expenses among multiple Clients pro rata based on gross assets under management as of the beginning of the month in which the expenses are incurred. Alatus may deviate from this standard allocation method if it determines that an expense disproportionately benefits a particular Client or group of Clients.

ITEM 6

**PERFORMANCE-BASED FEES AND SIDE-BY-SIDE MANAGEMENT**

Alatus and its investment personnel provide investment management services to multiple portfolios for multiple Clients. Alatus (or a related person of Alatus) is entitled to be paid performance-based compensation by its private pooled investment vehicle Clients and certain other Client accounts. Such performance-based compensation may create an incentive for Alatus to make investments that are riskier or more speculative than would be the case in the absence of such performance-based compensation arrangements. In addition, Alatus' investment personnel are typically compensated on a basis that includes a performance-based component. Certain Client accounts may have higher asset-based fees or more favorable performance-based compensation arrangements than other accounts or have asset-based fees or performance-based compensation arrangements providing for payment to Alatus at different times or over different time intervals. When Alatus and its investment personnel manage more than one Client account a potential exists for one Client account to be favored over another Client account. Alatus and its investment personnel potentially have a greater incentive to favor Client accounts that pay Alatus (and indirectly its investment personnel) higher fees, performance-based compensation or compensation that is paid at different times or over different time intervals.

Alatus manages multiple Client accounts. Accordingly, Alatus has adopted and implemented policies and procedures intended to address conflicts of interest that may arise relating to the management of multiple accounts, including accounts with different fee arrangements, and the allocation of investment opportunities. Alatus reviews investment decisions for the purpose of ensuring that all accounts with substantially similar investment objectives are treated fairly and, to the extent possible, equitably. For a variety of reasons, investments may not be allocated to an account or may be allocated differently among accounts (e.g., not on a pro rata basis). For example, the allocation of investments may be based on various factors, including without limitation: (i) the investment strategy, (ii) the amount of capital available for investment, (iii) exposure targets, (iv) the investment objectives, guideline or restrictions of an account, (v) the current composition of an account, (vi) the need to ramp up or rebalance the portfolio, (vii) risk management considerations, (viii) to avoid a *de minimis* allocation to one or more accounts, (ix) the need for cash to satisfy redemption requests, liquidity requirements, or other obligations, (x) tax considerations, and (xi) the need to bring an account in compliance with its investment guidelines. To the extent orders are aggregated, the Client orders are price-averaged and allocated in accordance with the aggregated order; provided, that the aggregated order may be allocated on a different basis for reasons including but not limited to partially filled orders and to avoid odd lots or excessively small allocations. These areas are monitored by Alatus' Chief Compliance Officer.

ITEM 7  
**TYPES OF CLIENTS**

Alatus' Clients consist of the Funds and the Accounts, which include state government entities, corporations and other business entities. The Adviser is not, however, precluded from advising types of Clients that are not listed above. With respect to any Fund, any initial and additional subscription minimums are disclosed in the Funds' offering documentation, although the Funds' general partner or directors, as applicable, have the right to accept a lesser amount. With respect to the Accounts, Alatus does not have any standard requirements for opening or maintaining an account and may, in its discretion, require a different investment minimum for any such account.



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

**Methods of Analysis and Investment Strategies**

Alatus invests primarily in the publicly traded securities of companies worldwide with a special focus on Europe. Emphasis is given to investing in companies that are perceived to offer a compelling investment opportunity and the possibility of capital appreciation as a result of proposed business strategies which may increase shareholder value over the medium/long term.

Alatus' investment management approach is based on fundamental research. Investment research is carried out to analyze the risks and rewards of each investment. This typically involves giving attention to the business fundamentals, financials, and other related risks and opportunities associated with a particular investment and the realization of shareholder value. The investment team will rely on a variety of internal and external sources to perform their research and analyses. Those sources may include research provided by a related person of Alatus as well as third party sources.

Liquidity is managed in a manner consistent with the requirements of the Clients and relevant investment strategy.

Alatus holds long positions in securities and also engages in short selling for certain strategies. In a short sale transaction, Alatus sells a security it does not own in anticipation that the market price of that security will decline.

Diversification is managed as defined with the Client, regulatory requirements and investment strategy. Alatus' approach towards diversification is typically based on its analysis of downside risk and probability rather than an even distribution of capital across a number of investments which means that a significant portion of a portfolio might be invested in a limited number of investments.

Leverage can be used according to the relevant Client investment strategy for a variety of purposes. It may be used to provide flexibility for hedging purposes or to take advantage of opportunities, to enhance returns with an acceptable level of risk.

Foreign exchange exposure (if any) may be hedged using spot, forward forex contracts or other methods of reducing exposure to currency fluctuations.

Market exposure may also be hedged through the use of derivatives or other methods of reducing exposure to market risk.

Assets may be invested according to the investment strategy of the Client in any securities or financial instruments, including but not limited to, equities (long and short positions), forex (spot and forward contracts), equity and index options and futures (listed and OTC), equity swaps and contracts for differences (CFDs), ETFs or other registered investment companies.

Investments in preferred shares, unlisted investments, convertible bonds, corporate bonds and currency and interest rate hedges (such as interest rate swaps or government bonds) may also be considered.

Cash balances may be invested in short-term financial instruments such as government securities, high quality corporate debt, money market funds, commercial paper, certificates of deposit and bank deposits.

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

**Summary of the Principal Investment Risks**

The following summary identifies the material risks related to Alatus' significant investment strategies and should be carefully evaluated before making an investment with Alatus; however, the following

does not intend to identify all possible risks of an investment with Alatus or provide a full description of the identified risks. Investors and potential investors in pooled investment vehicles should refer to the offering memorandum for the pooled investment vehicle for a further discussion of the applicable risks.

*Derivatives.* Swaps, and 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) could be much greater than the deposit used to buy the position in the derivative contract. Derivative instruments 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 Alatus. Further, transactions in derivative instruments are not undertaken on recognized exchanges, and will expose the Client's account to greater risks than regulated exchange transactions that may provide greater liquidity and in certain circumstances more accurate valuation of securities.

*Equity Securities.* The value of equity securities fluctuates in response to issuer, political, market, and economic developments. Fluctuations can be dramatic over the short as well as long term, and different parts of the market and different types of equity securities can react differently to these developments. For example, large cap stocks can react differently from small cap stocks, and "growth" stocks can react differently from "value" stocks. Issuer, political, or economic developments can affect a single issuer, issuers within an industry or economic sector or geographic region, or the market as a whole. Changes in the financial condition of a single issuer can impact the market as a whole. Terrorism and related geopolitical risks have led, and may in the future lead, to increased short-term market volatility and may have adverse long-term effects on world economies and markets generally.

*Exchange Traded Funds ("ETFs").* ETFs represent shares of ownership in either funds or unit investment trusts that hold portfolios of common stocks, bonds or other instruments, which are designed to generally correspond to the price and yield performance of an underlying index. A primary risk factor relating to ETFs is that the general level of stock or bond prices may decline, thus affecting the value of an equity or fixed income ETF, respectively. An ETF may also be adversely affected by the performance of the specific sector or group of industries on which it is based. Moreover, although ETFs are designed to provide investment results that generally correspond to the price and yield performance of their underlying indices, ETFs may not be able to exactly replicate the performance of the indices because of various sources of tracking error, including their expenses and a number of other factors.

*Forward Contracts.* Alatus may engage in the trading of forward contracts, which are not traded on any exchange. Forward contracts are therefore not guaranteed by any exchange or clearinghouse and are subject to the creditworthiness of the counterparty of the trade. There have been periods during which certain counterparties have refused to continue to quote prices for forward contracts or have quoted prices with an unusually widespread. Alatus may trade forward contracts with only one or a few counterparties, which may create more liquidity problems than if such arrangements were made with numerous counterparties. The risk of market illiquidity or disruption could result in major losses.

*Hedging.* There can be no assurances that a particular hedge is appropriate, or that certain risk is measured properly. Further, while Alatus may enter into hedging transactions to seek to reduce risk, such transactions may result in poorer overall performance and increased (rather than reduced) risk for a Client's investment portfolios than if Alatus did not engage in any such hedging transactions on behalf of Clients.

*Illiquid Investments.* Certain instruments may have no readily available market or third-party pricing. Reduced liquidity may have an adverse impact on market price and Alatus' 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. In some cases, the relevant portfolio may be contractually prohibited from disposing of certain securities for a specified period of time. Reduced liquidity in the secondary market for certain securities may also make it more difficult for Alatus to obtain market quotations based on actual trades for the purpose of valuing a fund's portfolio.

*Lack of Diversification.* Client accounts are not 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 Alatus were required to maintain a wider diversification among types of securities and other instruments.

*Leverage.* Performance may be more volatile if a Client's account employs leverage.

*Non-U.S. Securities.* Foreign securities, foreign currencies, and securities issued by U.S. entities with substantial foreign operations can involve additional risks relating to political, economic, or regulatory conditions in foreign countries. These risks include fluctuations in foreign currencies; withholding or other taxes; trading, settlement, custodial, and other operational risks; and the less stringent investor protection and disclosure standards of some foreign markets. One or more of these factors can make foreign investments, especially those in emerging markets, more volatile and potentially less liquid than U.S. investments. In addition, foreign markets can perform differently from the U.S. market.

*Undervalued Securities.* The identification of investment opportunities in undervalued securities is a difficult task, and there can be no assurance that such opportunities will be successfully recognized. While purchases of undervalued securities offer opportunities for above-average capital appreciation, these investments involve a high degree of financial risk and can result in substantial losses. Returns generated from such investments may not adequately compensate for the business and financial risks assumed. In addition, a Client portfolio may be required to maintain positions in such securities for a substantial period of time before realizing their anticipated value.

*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, Alatus' 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.

*Short Selling Risk.* Alatus' investment program may include a significant amount of short selling. Short selling transactions expose its Clients to the risk of loss in an amount greater than the initial investment, and such losses can increase rapidly and without effective limit. There is the risk that the securities borrowed 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 Alatus 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.

#### **Additional Risks Relating to Alatus**

*Cybersecurity Risk.* The information and technology systems of Alatus and of key service providers to Alatus 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 Alatus 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 Alatus 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 Alatus or its Clients and result in a failure to maintain the security, confidentiality or privacy of sensitive data, including personal information.

*Risk Management Failures.* Although Alatus 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 Alatus, 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, Alatus 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.* Alatus relies on certain financial, accounting, data processing and other operational systems and services that are employed by Alatus and/or by third party service providers, including prime brokers, third party administrator, 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, Alatus 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 Alatus and third party service providers to safeguard information in these systems, Alatus, 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 a Client's trading activities, liability under applicable law, regulatory intervention or reputational damage.

ITEM 9  
**DISCIPLINARY INFORMATION**

This item is not applicable.

ITEM 10

**OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS**

**Material Relationship or Arrangements with Industry Participants**

Aquilus Management Ltd., an affiliate of Alatus which serves as the manager of some of Alatus' Clients, has delegated investment management responsibilities with respect to such Clients to Alatus. Aquilus Management Ltd. is an investment manager based in Bermuda.

Alatus and its affiliates have entered into, and may in the future enter into, additional agreements (sometimes referred to as "side letters") with certain prospective or existing investors in the Funds whereby such investors may be subject to terms and conditions that are more advantageous than those set forth in the offering documentation of a Fund. For example, such terms and conditions may provide for special rights to make future investments in a Fund; special liquidity and transfer rights, reductions in asset-based and performance-based fees, rights to receive additional reports or notices of certain events and such other rights as may be negotiated by Alatus and such investor. The terms may also address regulatory, tax or other matters that are specific to certain types of investors. Such terms are agreed to at the discretion of Alatus (or its affiliates) and may, among other things, be based on the type of investor, the size of the investor's investment in the applicable Fund or affiliated investment entity, an agreement by an investor to maintain such investment in a Fund for a significant period of time, or other similar commitment by an investor.

**CODE OF ETHICS, PARTICIPATION OR INTEREST IN CLIENT TRANSACTIONS AND PERSONAL TRADING****Code of Ethics**

Alatus has adopted a Code of Ethics (the "Code") that obliges Alatus and its supervised persons to put the interests of Alatus' Clients before their own interests and to act honestly and fairly in all respects in their dealings with Clients. In addition to compliance with Alatus' policies and procedures, all of Alatus' personnel are required to comply with applicable federal securities laws. Clients or prospective Clients may obtain a copy of the Code by contacting Jérôme Haag (Chief Compliance Officer) by email at [jerome.haag@alatus.ch](mailto:jerome.haag@alatus.ch), or by telephone at +41.22.736.00.11. See below for further provisions of the Code as they relate to the preclearing and reporting of securities transactions by access persons.

Alatus and its supervised 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 Alatus. Alatus has adopted policies and procedures governing gifts and business entertainment, which include 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.

Alatus, in the course of its investment management and other activities, may come into possession of confidential or material nonpublic information about issuers, including issuers in which Alatus or its related persons have invested or seek to invest on behalf of Clients. Alatus is prohibited from improperly disclosing or using such information for its own benefit or for the benefit of any other person, regardless of whether such other person is a Client. Alatus maintains and enforces written policies and procedures that prohibit the communication of such information to persons who do not have a legitimate need to know such information and to assure that Alatus is meeting its obligations to its Clients and remains in compliance with applicable law. In certain circumstances, Alatus may possess certain confidential or material, nonpublic information that, if disclosed, might be material to a decision to buy, sell or hold a security, but Alatus will be prohibited from communicating such information to the Client or using such information for the Client's benefit. In such circumstances, Alatus will have no responsibility or liability to the Client for not disclosing such information to the Client (or the fact that Alatus possesses such information), or not using such information for the Client's benefit, as a result of following Alatus' policies and procedures designed to provide reasonable assurances that it is complying with applicable law.

**Investing in Securities Recommended to Clients**

Alatus or its access persons may invest in the same securities (or related securities, e.g., warrants, options or futures) that Alatus or an access person recommends to Clients. Alatus or its access persons may trade in a particular security in a manner that is the same as, different from, or even opposite to the trading activity undertaken by Alatus on behalf of its Clients with respect to that same security. Such practices present a conflict when, because of the information it has, Alatus or its access persons are in a position to trade in a manner that could adversely affect Alatus' Clients (e.g., place their own trades before or after Client trades are executed in order to benefit from any price movements due to the Clients' trades). In addition to affecting Alatus' or its access persons objectivity, these practices by Alatus or its access persons may also harm Clients by adversely affecting the price at which the Clients' trades are executed. Alatus has adopted policies and procedures in an effort to minimize such conflicts. Alatus requires its access persons to pre-clear all transactions in their personal accounts with the Chief Compliance Officer. The Chief Compliance Officer will generally deny requests to transact in securities that are under consideration for Clients or securities that are owned by Clients, although the Chief Compliance Officer may approve transactions in such securities on a case by case basis if the Chief Compliance Officer concludes that the relevant transaction would comply with the provisions of the Code and is not likely to have any adverse economic impact on Clients. All of Alatus' access persons are required to disclose their securities transactions on a quarterly basis. In addition, Alatus' access persons are required to disclose the holdings in their personal accounts upon commencement of employment with Alatus and on an annual basis thereafter. To the extent that an access person of Alatus holds a security that is on the restricted security list, such access person will abstain from proxy voting to avoid any potential conflict of interest, unless the matter is submitted for review by the Chief Compliance Officer, who in his discretion, decides otherwise, acting in the best interest of Alatus' Clients. Please refer to Item 17 for further information regarding Alatus' proxy voting policy.

**Conflicts of Interest Created by Contemporaneous Trading**

See Item 6 for a discussion of the conflicts associated with side-by-side management of multiple accounts and how Alatus manages such conflicts.

Where more than one account participates in a transaction, Alatus will generally aggregate Client orders to achieve more efficient execution. See Item 12 below for a discussion of Alatus' practices when it aggregates Client orders.



ITEM 12  
**BROKERAGE PRACTICES**

**Factors Considered in Selecting Broker-Dealers**

Alatus 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 include, but are not limited to, the rate of commissions and other execution-related costs, execution capability, financial stability and reputation of the brokerage firm, the value of research, brokerage or other services provided by the broker as well as other factors that Alatus deems relevant. In selecting a broker-dealer to execute transactions (or a series of transactions) and determining the reasonableness of the broker-dealer's compensation, Alatus need not solicit competitive bids and does not have an obligation to seek the lowest available commission cost. It is not Alatus' 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. Alatus seeks to monitor the reasonableness of commissions by periodically assessing the overall performance of the brokers and allocation of commissions across brokers and the Chief Compliance Officer seeks to regularly evaluate the broker-dealers using the foregoing factors.

**Research and Other Soft Dollar Benefits**

Alatus receives research or other products or services other than execution from a broker-dealer in connection with Client securities transactions. This is known as a "soft dollar" relationship. Alatus will limit the use of "soft dollars" to obtain research and brokerage services to services that constitute research and brokerage within the meaning of Section 28(e) of the Securities Exchange Act of 1934, as amended ("Section 28(e)"). Research services within Section 28(e) may include, but are not limited to, 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, but are not limited to, 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.

When Alatus uses Client commissions to obtain Section 28(e) eligible research and brokerage products and services, Alatus regularly reviews and evaluates its 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 Alatus' overall responsibilities to the accounts or portfolios over which Alatus exercises investment discretion.

The use of Client commissions to obtain research and brokerage products and services raises conflicts of interest. For example, Alatus will not have to pay for the products and services itself. This may create an incentive for Alatus to select or recommend a broker-dealer based on its interest in receiving those products and services.

Alatus may cause Clients to pay commissions higher than those charged by other broker-dealers in return for soft dollar benefits (known as paying-up), resulting in higher transaction costs for Clients.

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

Client accounts. Alatus seeks to allocate soft dollar benefits to Client accounts proportionately to the soft dollar credits the accounts generate.

During Alatus' last fiscal year, as a result of Client brokerage commissions, Alatus acquired software used to transmit orders, proprietary and third party research reports (including market research), certain financial newsletters and trade journals, attendance at certain seminars and conferences, discussions with research analysts, meet with corporate executives, advice from brokers on order execution and services related to execution, clearing and settlement of securities transactions and functions incidental thereto (i.e., connectivity services between Alatus and a broker-dealer and other relevant parties such as custodians).

In some instances, Alatus receives a product or service that may be used only partially for functions within Section 28(e) (e.g., an order management system, trade analytical software or proxy services). In such instances, Alatus makes a good faith effort to determine the relative proportion of the product or service used to assist Alatus 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 Alatus in carrying out its investment decision-making responsibilities will be paid through brokerage commissions generated by Client transactions and the proportion attributable to administrative or other purposes outside Section 28(e) will be paid for by Alatus from its own resources. The determination by Alatus of the appropriate allocation of "mixed-use" products and services creates a potential conflict of interest between Alatus and its Clients.

### **Brokerage for Client Referrals**

Alatus may place Client transactions with a broker that (i) provides it with the opportunity to participate in capital introduction events sponsored by the broker, (ii) refers investors to the Funds or to other products managed by Alatus or (iii) invests or whose affiliate invests in a Fund. Alatus may have an incentive to direct trades to a broker based on its interest in receiving these benefits rather than the Client's interest in receiving the most favorable execution. Accordingly, Alatus will only place Client transactions with brokers if Alatus determines that it is otherwise consistent with seeking best execution, regardless of whether this broker has made referrals or provided capital introduction opportunities. In no event will Alatus direct commissions to brokers to compensate them specifically for the opportunity to participate in such capital introduction events, the referral of investors or any direct investment in a Fund by a broker (or an affiliate).

### **Aggregation of Client Trades**

Where more than one account participates in a transaction, Alatus generally aggregates Client orders to achieve more efficient execution. Clients participating in an aggregated trade will be allocated securities based on the average price achieved for such trades. When an aggregated order is completely filled, Alatus 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 avoid odd lots or excessively small allocations. With respect to partially filled orders above a *de minimis* threshold, the securities or proceeds will be allocated in a manner deemed fair and equitable to all Clients. Depending on the investment strategy pursued and the type of security, this may result in a pro rata allocation to all participating Clients.

ITEM 13  
**REVIEW OF ACCOUNTS**

**Frequency and Nature of Review**

Alatus regularly reviews Client portfolios in the course of actively managing the portfolios and to determine whether securities positions should be maintained in light of current market conditions. Matters reviewed include securities held, adherence to investment guidelines and the performance of each Client account.

**Regular Reports**

Each Client that is a separately managed account receives monthly reports, including statistical abstract, performance, gross and net exposures, and certain other information as agreed with Client. Such reports may be delivered electronically to the Client in accordance with the Client's agreement with Alatus.

Investors in the Funds regularly receive periodic reports from the Funds, including (i) unaudited monthly performance reports, (ii) monthly and/or quarterly statistical abstracts including performance, gross and net exposures, and certain other information, (iii) quarterly letters and (iv) audited annual financial statements as of the end of the applicable fiscal year. Please check each Fund's offering documentation for reporting specific to each Fund.

ITEM 14

**CLIENT REFERRALS AND OTHER COMPENSATION**

As stated above, Alatus receives certain research or other products or services from broker-dealers through “soft-dollar” arrangements. These “soft-dollar” arrangements create an incentive for Alatus to select or recommend broker-dealers based on Alatus’ 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 Alatus on behalf of its Clients. Please see Item 12 for further information on Alatus’ “soft-dollar” practices, including Alatus’ procedures for addressing conflicts of interest that arise from such practices.

ITEM 15  
**CUSTODY**

This item is not applicable.

ITEM 16  
**INVESTMENT DISCRETION**

Alatus provides investment advisory services on a discretionary basis to Clients. Please see Item 4 for a description of any limitations Clients may place on Alatus' discretionary authority.

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

Unless otherwise instructed or directed by a Client, Alatus has the authority to determine (i) the securities to be purchased and sold for the Client account (subject to restrictions on its activities set forth in the applicable investment management agreement and any written investment guidelines) and, (ii) the number of securities to be purchased or sold for the Client account. Because of the differences in Client investment objectives and strategies, risk tolerances, tax status and other criteria, there may be differences among Clients in invested positions and securities held. Alatus may consider the following factors, among others, in allocating securities among Clients: (i) the investment strategy, (ii) the amount of capital available for investment, (iii) exposure targets, (iv) the investment objectives, guideline or restrictions of an account, (v) the current composition of an account, (vi) the need to ramp up or rebalance the portfolio, (vii) risk management considerations, (viii) to avoid a *de minimis* allocation to one or more accounts, (ix) the need for cash to satisfy redemption requests, liquidity requirements, or other obligations, (x) tax considerations; and (xi) the need to bring an account in compliance with its investment guidelines. Although it is Alatus policy to allocate investment opportunities to eligible Client accounts on a pro rata basis (based on the value of the assets of each participating account relative to the value of the assets of all participating accounts), these factors may lead Alatus to allocate securities to Client accounts in varying amounts. Even Client accounts that are typically managed on a *pari passu* basis may from time to time receive differing allocations of securities based on total assets of each account eligible to invest in the particular investment type (e.g., equities) divided by the total assets of all accounts eligible to invest in the particular investment.

Separately managed account Clients may impose reasonable restrictions, limitations or other requirements with respect to their individual accounts.

Allocations will be made among Client accounts eligible to participate in initial public offerings (IPOs) and secondary offerings on a pro rata basis, except when Alatus determines in its discretion that a pro rata allocation is not appropriate, which may include a Client's investment guidelines explicitly prohibiting participation in IPOs or secondary offerings and a Client's status as a "restricted person" under applicable regulations.

Securities acquired by Alatus for its Clients through a limited offering will be allocated pursuant to the procedures set forth in Alatus' allocation policy. The policy provides that Alatus will determine the proposed allocation of limited offering securities after considering the factors described above with respect to general allocations of securities and determining those Client accounts eligible to hold such securities. Eligibility will be based on the legal status of the Clients and the Clients' investment objectives and strategies.

If it appears that a trade error has occurred, Alatus will review the relevant facts and circumstances to determine an appropriate course of action. To the extent that trade errors occur, Alatus' error correction procedure is to ensure that Clients are treated fairly. Alatus 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 Alatus' violation of the standard of care that is applicable to the Client account, Alatus will reimburse the Client for losses attributable to such violation. Trade errors that do not result from Alatus' violation of the standard of care applicable to the Client account are borne by the Client account.

To the extent Alatus has authority, pursuant to the investment management agreement or other governing documents of a Client account, to participate in class action claims (each, a "Claim") it will do so on a case-by-case basis. Once Alatus receives a Claim, Alatus will determine whether any Clients or former Clients of Alatus owned the security during the period covered by the Claim. Appropriate personnel of Alatus will determine whether they agree with the basis of the Claim and whether or not to participate in the Claim depending upon (i) the nature of the Claim; (ii) prospects for recovery; (iii)

resources required to pursue the Claim, (iv) other relevant factors pertaining to the particular Claim and (v) any other factors that Alatus deems relevant.

ITEM 17  
**VOTING CLIENT SECURITIES**

To the extent Alatus has been delegated proxy voting authority on behalf of its Clients, Alatus complies with its proxy voting policies and procedures that are designed to ensure that in cases where Alatus votes proxies with respect to Client securities, such proxies are voted in the best interests of its Clients.

Alatus' Clients may be permitted to direct their votes in a particular solicitation. A Client that wishes to direct its vote in a particular solicitation shall give reasonable prior written notice to Alatus indicating such intention and provide written instructions directing Alatus' vote in regard to the particular solicitation. Where such prior written notice is received, Alatus will vote proxies in accordance with such written instructions received from a Client, provided that such instructions are provided to Alatus in a timely manner.

Alatus may abstain from voting or affirmatively decide not to vote if Alatus determines that abstention or not voting is in the best interests of the Client or that it will not impact the Client. In making this determination, Alatus will consider various factors, including, but not limited to, (i) the costs and complexity associated with exercising the proxy (e.g., translation or travel costs); and (ii) any legal restrictions on trading resulting from the exercise of a proxy.

If a material conflict of interest between Alatus and a Client exists, Alatus will determine whether voting in accordance with the guidelines set forth in its proxy voting policies and procedures is in the best interests of the Client or take some other appropriate action.

Clients may obtain a copy of Alatus' proxy voting policies and procedures and information about how Alatus voted a Client's proxies by contacting Jérôme Haag (Chief Compliance Officer) by email at [jerome.haag@alatus.ch](mailto:jerome.haag@alatus.ch) or by telephone at +41.22.736.00.11.



ITEM 18  
**FINANCIAL INFORMATION**

This Item is not applicable.

ITEM 19

**REQUIREMENTS FOR STATE-REGISTERED ADVISERS**

This Item is not applicable.