

Geode Capital Management LP

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March 31, 2017

This Brochure provides information about the qualifications and business practices of Geode Capital Management LP. If you have any questions about the contents of this Brochure, please contact us at (800) 777-6757. The information in this Brochure has not been approved or verified by the United States Securities and Exchange Commission ("SEC") or by any state securities authority.

Geode Capital Management LP is a registered investment adviser. Registration of an Investment Adviser does not imply any level of skill or training.

Additional information about Geode Capital Management LP also is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

## **Item 2 – Material Changes**

Information about Geode Capital Management LP is provided in a narrative format in this Form ADV Part 2A brochure. This section provides a summary of the material changes to this brochure since the date of its last filing, March 29, 2016.

- Item 8 has been updated to describe, in greater detail, the risk of loss in connection with investments.

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## Item 4 – Advisory Business

### Overview

Geode Capital Management LP ("GCM LP") is a limited partnership organized under the laws of the State of Delaware that specializes in quantitative and qualitative alternative investment strategies. GCM LP is a registered investment adviser and wholly owned subsidiary of Geode Capital Management, LLC (GCM LLC). GCM LP provides portfolio management and administrative services to domestic investment partnerships, offshore investment corporations and other institutional investors. GCM LP serves as the general partner and investment manager to various non-registered funds (the "Private Funds") and may provide investment advice to other institutional accounts (together with the Private Funds, "Client Accounts").

The general partner and initial limited partner of GCM LP is GCM LLC. GCM LLC acts as adviser and sub-adviser to institutional and retail clients. GCM LLC acts as adviser or sub-adviser with respect to various registered funds, separately managed accounts, and certain other accounts (e.g., offshore investment trusts). Additionally, GCM LLC also acts as a non-discretionary adviser for commingled pools and as a sub-adviser for a discretionary managed account service for individual investors.

As of December 31, 2016, GCM LP had discretionary assets under management of \$1,828,410,703 and no non-discretionary assets under management.

### Strategies

GCM LP's primary service is the design and management of portfolios that employ quantitative and qualitative alternative investment strategies. Currently, GCM LP provides investment advice with respect to the following strategies:

- *Multi Strategy*
- *Convertible Arbitrage*
- *Merger Arbitrage*
- *Event-Driven*
- *Volatility Arbitrage*
- *Capital Structure Arbitrage*
- *Global Dynamic Alpha*
- *Macro Premia*

GCM LP may from time to time add or discontinue investment strategies. Please see Item 8 for additional information.

### Types of Investments

The type of investments transacted by GCM LP will be contingent on the trading strategy it employs. In general, GCM LP may purchase, sell or sell short U.S. and foreign securities that include: equities and equity-related securities, including registered investment companies, U.S. government securities, corporate debt securities, convertible bonds, preferred stock, warrants, options, and high yield

securities. GCM LP may also purchase, sell or sell short derivatives, including futures, options and swaps or other instruments on individual issuers, indexes, currencies, commodities, interest rates and other reference assets. As part of its investment program GCM LP may also employ foreign currency transactions on a spot or forward basis, leverage, and short securities. GCM LP may also invest in master limited partnerships that are publicly traded on a securities exchange.

## **Item 5 – Fees and Compensation**

All management fees charged by GCM LP are subject to negotiation.

GCM LP generally charges its Private Fund clients a management fee between 1-2% (annualized) of assets under management accrued on a daily basis and collected each month. GCM LP will also generally receive annual performance based incentive compensation at a rate of up to 20% (annualized) of net capital appreciation that may include an adjustment for benchmark performance. Net capital depreciation must be recovered before incentive compensation is earned. Management fees or performance based incentive compensation may be waived, reduced, modified, or rebated with respect to certain investors.

GCM LP's compensation for Private Funds may generally be based on an annual percentage of assets under management and is calculated and payable monthly, in arrears, based on the total market value of the account (including cash, cash equivalents and accrued interest). Under certain circumstances, GCM LP may also charge performance or incentive based fees. The exact fees charged by GCM LP are determined by the investment strategy of the account.

GCM LP's fees are exclusive of brokerage commissions, transaction fees, and other related costs and expenses which shall be incurred by the client. Clients may incur certain charges imposed by custodians, brokers, and other third parties which may include, but are not limited to fees charged by advisers, custodial fees, deferred sales charges, odd-lot differentials, transfer taxes, wire transfer and electronic fund fees, and other fees and taxes on brokerage accounts and securities transactions. (See Item 12 for more information on brokerage.) Such charges, fees and commissions are exclusive of and in addition to GCM LP's fee, and GCM LP does not receive any of the foregoing commissions, fees or costs.

Advisory contracts may generally be terminated by either party upon 60 days written notice without the imposition of any penalty. Under certain circumstances, clients may terminate a contract upon written notice. Where advisory fees are payable in arrears, no refund of advisory fees will typically be necessary. GCM LP and a client may determine to make GCM LP's fees payable in advance; upon termination of such an advisory contract, GCM LP will refund the pro rata, unearned portion of the prepaid advisory fees.

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

Under certain circumstances, GCM LP may charge a performance or incentive fee, *i.e.*, one that is based on a percentage of the Client Account's capital gains or capital appreciation, following individualized negotiation with the client. GCM LP will structure any performance or incentive fee arrangement subject to Section 205(a)(1) of the Investment Advisers Act of 1940, as amended (the "Advisers Act") and the available exemptions thereunder, including the exemption set forth in Rule 205-3. Such fee arrangements may create an incentive to favor higher fee paying accounts over other accounts in the

allocation of investment opportunities. GCM LP has procedures designed and implemented to ensure that all Client Accounts are treated fairly and equally, and to prevent side by side management conflicts from influencing the allocation of investment opportunities among Client Accounts.

## **Item 7 – Types of Clients**

GCM LP primarily acts as adviser to Private Funds that are exempt from the Investment Company Act of 1940, as amended, and may act as adviser to certain other institutional investors.

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

GCM LP makes use of proprietary and third party quantitative research and trading programs that apply mathematical algorithms to analyze and measure fundamental and technical security and market, and economic characteristics. GCM LP is engaged in quantitative and arbitrage investment strategies to achieve a return exceeding the risk-free rate with minimal market and currency exposure. The information utilized by GCM LP may include, among other things, current and historical stock prices; security reference information, including sector or industry identification; third party analyst estimates; bid-offer spreads; and risk management models. Models may not work as intended in all markets.

As with any investments, investing in securities involves risk of loss that clients should be prepared to bear. Future returns are not guaranteed, and a loss of principal may occur. There is no guarantee that a particular portfolio will meet its investment objective.

### Investment Strategies

- **Multi Strategy.** The strategy seeks to provide investors with attractive risk-adjusted returns that are uncorrelated to traditional equity and fixed income asset classes. The strategy is managed to a low absolute level of volatility and leverage. A multi-strategy approach is used to accomplish these goals. Currently the strategy allocates to the following internally managed disciplines: Convertible Arbitrage, Merge Arbitrage, Event-Driven, Volatility Arbitrage, Capital Structure Arbitrage, Global Dynamic Alpha, and Macro Premia.
- **Convertible Arbitrage Strategy.** The strategy utilizes a proprietary valuation methodology to identify convertible securities that are undervalued. The portfolio seeks to have approximately zero net equity market exposure while maintaining an acceptable level of issuer-specific credit and/or equity volatility exposure.
- **Merger Arbitrage Strategy.** The strategy seeks to exploit the mispricing of securities involved in publicly announced and reported potential corporate transactions, primarily mergers and acquisitions.
- **Event-Driven Strategy.** The strategy seeks to profit from investments that will benefit from catalysts or corporate events, including reorganizations, leveraged buyouts, hostile tender offers, unsolicited takeover proposals, spin-offs, divestitures, share class consolidations and plans to explore strategic alternatives. Capital structure trades that explicitly express views on catalysts are also part of this strategy.

- **Volatility Arbitrage Strategy.** The strategy aims to exploit market dislocations caused by divergent investor preferences. Additionally, the strategy looks to invest in attractive risk/return trades expressing certain fundamental and macro views.
- **Capital Structure Arbitrage Strategy.** The strategy aims to exploit valuation discrepancies caused by market segmentation across the credit, equity and volatility markets. The strategy seeks to be long the cheapest part of the capital structure and hedge with the most expensive part, and can be applied to individual corporate issuers or to liquid indices.
- **Global Dynamic Alpha Strategies.** These strategies seek to achieve a well-diversified portfolio of global securities with an approximately equal amount of long dollar value and short dollar value, and are primarily comprised of equity market neutral strategies that seek a low correlation to the overall market. These strategies seek to construct a portfolio that is long securities with the highest expected relative future return, and short securities with the lowest expected relative future return, utilizing risk management models and other techniques to monitor and hedge exposure to common risk factors, such as beta to the overall equity market.
- **Macro Premia Strategy.** The strategy seeks to create a diversified portfolio of securities and instruments that are global and have exposure to investment style characteristics such as value, momentum, quality, size, volatility and liquidity. The investment approach is systematic and approximately consists of equal amount of long dollar value and short dollar value holdings. The investments may span all major asset classes such as common and preferred stocks, interest rate, corporate and mortgage bonds, commodities, currencies and indexes.

#### Risk of Loss

All investment strategies involve risk of loss. Clients should be prepared to bear such losses in connection with investments. Clients may lose money. Nearly all investments are impacted by non-U.S. markets, through either direct exposure or indirect effects in U.S. markets from events abroad. Client Accounts that pursue strategies that concentrate in particular industries or are otherwise subject to particular segments of the market may be significantly impacted by events affecting those industries or markets. Additionally, investments may be subject to operational risks, which can include risks of loss arising from failures in internal processes, people, or systems, such as routine processing errors or major systems failures, or from external events, such as exchange outages.

In general, the Client Accounts managed by GCM LP are subject to the list of investment risks discussed below. All strategies are ultimately affected by impacts to the individual investments, such as changes in an issuer's profitability and credit quality, or changes in tax, regulatory, market or economic developments.

- **Bond Risk.** In general, the bond market is volatile, and fixed-income securities carry interest rate risk. As interest rates rise, bond prices usually fall, and vice versa. This effect is usually more pronounced for longer-term bonds. The ability of an issuer of a bond to repay principal prior to a security's maturity can cause greater price volatility if interest rates change, and, if a bond is

prepaid, a bond fund may have to invest the proceeds in securities with lower yields. Fixed-income securities also carry inflation risk and credit and default risks for both issuers and counterparties. In addition, investments in certain bond structures may be less liquid than other investments, and therefore may be more difficult to trade effectively.

- **Convertible Securities Risk:** The value of convertible securities may fluctuate depending on a variety of factors including interest rates, issuer solvency and the value of the underlying common stock. Prior to conversion, convertible securities have the same general characteristics as non-convertible debt securities. As with all debt securities, the market value of convertible securities tends to decline as interest rates increase and conversely, increases as interest rates decline. Convertible securities, however, also appreciate when the underlying common stock appreciates, and conversely, depreciate when the underlying common stock depreciates.
- **Cash and Forward Trading Risk:** Trading of cash and forward contracts, such as foreign currencies, may be entered into with banks and market makers. There is no limitation on daily price movements of cash or forward contracts. There have been times when certain market makers refused to quote prices or have quoted prices with an unusually wide spreads. If this occurs, GCM LP might not be able to utilize effectively its cash and forward trading programs, and could result in significant losses to a Client Account.
- **Commodity-Related Investment Risk:** Commodity markets are typically subject to greater volatility than investments in traditional securities. The value of commodity linked derivatives may be influenced by factors such as supply and demand relationships, governmental programs and policies, political and economic events, and changes in interest rates. Low margin deposits generally are required in commodity futures trading, and leverage may be typical of a pooled investment vehicle engaging in commodity futures trading.
- **Futures Risks:** Futures prices may be volatile. Price movements in a futures contract price may affect a portfolio. Purchase or sale of a futures contract may result in losses in excess of the amount invested. Futures have “daily price fluctuation limits” or “daily limits.” During a single trading day no trades may be executed at prices beyond the daily limit. This could prevent the timely liquidation of positions and subject a Client Account to substantial losses.
- **Options Risk:** The value of an option may change due to the value of the underlying instruments, the passage of time, the market’s perception as to the future price of the underlying instruments as well as other factors. Options may be exchange-traded or privately negotiated. Specific market movements underlying an option cannot be predicted and no assurance can be given that a liquid market will exist for any particular option at any particular time.
- **Swap Risk:** Swap agreements are subject to the risk that the market value of the instrument will change in a way detrimental to a Client Account’s interest. A Client Account bears the risk that an adviser will not accurately forecast market trends or the values of assets, reference rates, indexes, or other economic factors in establishing swap positions for a fund. If an adviser attempts to use a swap as a hedge against, or as a substitute for, a portfolio investment, a Client



Account may be exposed to the risk that the swap will have or will develop imperfect or no correlation with the portfolio investment, which could cause substantial losses for a Client Account. While hedging strategies involving swap instruments can reduce the risk of loss, they can also reduce the opportunity for gain or even result in losses by offsetting favorable price movements in other fund investments. Swaps are complex and often valued subjectively.

- **Counterparty Risk:** Counterparty risk is the risk to each party of a contract that the counterparty will not live up to its contractual obligations. Client Accounts could potentially incur losses as a result of counterparty credit exposure if the counterparty fails to fulfill its obligations.
- **Currency Risk:** Currency risk is the risk that currency exchange rates will negatively affect securities denominated in foreign currencies. The liquidity and value of foreign currencies could be affected by global economic factors, such as inflation, interest rate levels, and trade balances among countries, as well as the actions of governments and central banks. Changes in currency exchange rates may create losses in a Client Account.
- **Equity Securities Risk:** Equity securities fluctuate in value in response to many factors, including the financial results and financial condition of companies; competition; market conditions; interest rates; and economic environments. In addition, political instability, terrorism and natural disasters may contribute to market volatility that may affect investments.
- **ETF Risk.** An ETF is a security that trades on an exchange and may seek to track an index, commodity, or a basket of assets like an index fund. ETFs may trade at a premium or discount to NAV and may also be affected by the market fluctuations of their underlying investments. They may also have unique risks depending on their structure and underlying investments.
- **Foreign Markets Risk.** Foreign securities are subject to interest rate, currency exchange rate, economic, regulatory, and political risks, all of which may be greater in emerging markets. Such risks may include, but are not limited to the risk of nationalization of assets and taxation; social, economic and political instability; illiquid markets; currency exchange rate risk; hyper-inflation; controls on foreign investment; governmental involvement in the economy; differences in financial standards; less regulatory oversight; different settlement periods; difficulty in enforcing contractual obligations; lack of modern technology and less available information than is generally the case in the United States. These risks are particularly significant for Client Accounts that focus on a single country or region or emerging markets. Foreign markets may be more volatile than U.S. markets and can perform differently from the U.S. market. Emerging markets can be subject to greater social, economic, regulatory, and political uncertainties and can be extremely volatile. Foreign exchange rates can also be extremely volatile.
- **Interest Rate Risk:** Fixed income securities are generally sensitive to interest rate risk. When interest rates rise, the price of fixed income securities typically decrease. Fixed income securities with longer maturities are more susceptible to interest rate risks.

- **Liquidity Risk:** Under certain market conditions, the liquidity of portfolio positions may be reduced. Under these circumstances, GCM LP may be forced to dispose of securities at reduced prices, thereby adversely affecting its performance. If other investors are seeking to dispose of the same securities at the same time, GCM LP may be unable to sell or prevent losses.
- **Real Estate Investment Trust (“REIT”) Risk:** REITs are subject to the risks associated with the changes in the values of the underlying properties that they own or operate. REITs are dependent upon specialized management skills, and the investments may be concentrated. REITs are also subject to heavy cash flow dependency and are reliant on the capital markets. In addition, a REIT could fail to qualify for favorable regulatory treatment.

In addition, Client Accounts may be subject to the following specific risks:

- **Credit Risk.** Changes in the financial condition of an issuer or counterparty, and changes in specific economic or political conditions that affect a particular type of security or issuer, can increase the risk of default by an issuer or counterparty, which can affect a security’s or instrument’s credit quality or value.
- **Cybersecurity Risk:** With the increased use of technologies to conduct business, GCM LP and its affiliates are susceptible to operational, information security, and related risks. In general, cyber incidents can result from deliberate attacks or unintentional events and may arise from external or internal sources. Cyber-attacks include, but are not limited to, gaining unauthorized access to digital systems (e.g., through “hacking” or malicious software coding) for purposes of misappropriating assets or sensitive information; corrupting data, equipment or systems; or causing operational disruption. Cyber-attacks may also be carried out in a manner that does not require gaining unauthorized access, such as causing denial-of-service attacks on websites (i.e., efforts to make network services unavailable to intended users). Cyber incidents affecting GCM LP or its affiliates, or any other service providers (including, but not limited to, accountants, custodians, transfer agents, and financial intermediaries used by a Client Account) have the ability to cause disruptions and impact business operations, potentially resulting in financial losses, interference with the ability to calculate NAV, impediments to trading, the inability to transact business, destruction to equipment and systems, violations of applicable privacy and other laws, regulatory fines, penalties, reputational damage, reimbursement or other compensation costs, or additional compliance costs. Similar adverse consequences could result from cyber incidents affecting issuers of securities in which a Client Account invests, counterparties with which a Client Account engages in transactions, governmental and other regulatory authorities, exchange and other financial market operators, banks, brokers, dealers, insurance companies and other financial institutions (including financial intermediaries and service providers), and other parties.
- **Error and Operational Risk:** GCM LP maintains policies and procedures that address the identification and correction of errors, consistent with applicable standards of care, to ensure that clients are treated fairly when an error has been detected. In the event that an incident or event occurs that disrupts normal investment-related activities, the determination of whether an incident constitutes an error is made by GCM LP, in its sole discretion. GCM LP will review the

relevant facts and circumstances of each incident and if deemed to be an error, will resolve the error in a timely manner.

In the event that GCM LP makes an error that has a financial impact on a Client Account, GCM LP will generally return the Client Account to the position it would have held had no error occurred. GCM LP will evaluate each situation independently. This corrective action may result in financial or other restitution to the Client Account.

Additionally, Client Accounts may be subject to operational risks, which can include risks of loss arising from failures in internal processes, people, or systems, such as routine processing incidents or major systems failures, or from external events, such as exchange outages. These incidents as well as incidents resulting from the mistakes of third parties may not be eligible for compensation by GCM LP, depending on the circumstances.

- **Model Risks:** For certain investment strategies, GCM LP may use quantitative models to evaluate factors such as historical valuation, growth, profitability and other factors. These models assist the portfolio manager's decisions and may be used to construct the optimal portfolio holdings and further manage benchmark relative risks. Models may not work as intended in all markets.

GCM LP may rely on quantitative models (both proprietary models developed by GCM LP, and those supplied by third parties collectively "Models") as well as data both developed by GCM LP and those supplied by third parties (collectively "Data"). Models and Data are used to assist in constructing transactions and investments and to provide risk management insight. Models and Data are known to have errors, omissions, imperfections and malfunctions (collectively, "System Issues"). System Issues in third-party Models are generally entirely outside of the control of GCM LP.

GCM LP seeks to mitigate the impact of System Issues through testing and monitoring. Despite such testing and monitoring, System Issues may result in, among other things, the execution of unanticipated trades, the failure to execute anticipated trades, delays to the execution of anticipated trades, the failure to properly allocate trades, the failure to properly gather and organize available data, the failure to take certain hedging or risk reducing actions and/or the taking of actions which increase certain risk(s)—all of which may have material effects on Client Accounts.

Certain GCM LP strategies are reliant on the gathering and analyzing of large amounts of Data. Accordingly, Models rely on appropriate Data inputs. However, it is not possible or practical to factor all relevant Data into trading decisions. GCM LP will use its discretion to determine what Data to gather with respect to each strategy and what Data the Models take into account which may have an impact on trading decisions. In addition, given the complexity of Data gathering, the volume of Data available, that a majority of Data comes from third-party sources, it is foreseeable that not all relevant Data will be available to, or processed by, GCM LP at all times. If incorrect Data is input into a Model, it may lead to a System Issue subjecting the client to a loss. GCM LP may continue to make trading decisions based on the Data available. Additionally, GCM LP may determine that certain available Data, while potentially useful in making trade decisions, is not cost effective to gather due to technology costs or third-party vendor costs. In such cases, GCM LP will not utilize such Data. Clients should be aware that there is no guarantee

the Data actually utilized in trading decisions underlying the Models will be (i) the most accurate data available or (ii) free of errors. Clients should assume that the Data set used in connection with the Models is limited and should understand that the foregoing risks associated with gathering and analyzing large amounts of Data are an inherent part of investing with an adviser such as GCM LP.

Any decisions made in reliance upon incorrect Data expose clients to potential risks. Errors in Models and Data are often extremely difficult to detect. Some System Issues may go undetected for long periods of time and some may never be detected. The impact may compound over time. GCM LP may detect certain System Issues that it, in its sole discretion, may choose not to address or fix. GCM LP believes that the testing and monitoring performed on its models and third party models will enable GCM LP to identify and address those System Issues that a prudent person managing a process-driven, systematic and computerized investment program would identify and address. Clients should assume that System Issues and the risks are an inherent part of investing with an investment manager like GCM LP. Accordingly, GCM LP does not expect to disclose discovered System Issues to the Client.

Clients will bear the risks associated with the reliance on Models and Data including that the client may bear all losses related to System Issues unless otherwise determined by GCM LP in accordance with its internal policies or as may be required by applicable law.

#### **Item 9 – Disciplinary Information**

GCM LP has no information applicable to this Item.

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

GCM LP is registered with the Commodity Futures Trading Commission (“CFTC”) as a commodity pool operator (“CPO”) and commodity trading advisor (“CTA”) and is a member of the National Futures Association (“NFA”).

GCM LLC, a Delaware limited liability company, is the general partner and initial limited partner of GCM LP. GCM LLC is registered with the Securities and Exchange Commission as a registered investment adviser and with the Commodity Futures Trading Commission as a commodity pool operator and commodity trading adviser, and is a member of the National Futures Association.

The executive officers listed in Schedule A in Form ADV Part 1 and certain other of GCM LLC's personnel provide various administrative, ministerial, technology, consulting, management, support, trading, compliance and other services to GCM LP pursuant to an Administrative, Consulting and Management Services Agreement between GCM LP and GCM LLC. Natural conflicts of interest may arise, and are mitigated through the compliance program (Code of Ethics, Allocation Policy, Best Execution, Side-by-Side Trade monitoring, etc.)

## **Item 11 – Code of Ethics**

GCM LP is an SEC registered adviser, and as such, has adopted a Code of Ethics (“the “Code”) pursuant to Rule 204A-1 of the Advisers Act. GCM LP is not a broker-dealer and does not act as principal or broker in connection with client transactions. GCM LP and persons related to GCM LP, including officers, directors and employees, may buy, sell, or have a financial interest in securities recommended to clients. Such persons may buy, sell, or have a financial interest in such securities by investing directly in the Funds, or otherwise through independent transactions in personal accounts subject to GCM LP’s Code described below. Potential conflicts of interest in connection with such transactions and the controls designed to mitigate such conflicts are generally disclosed to clients herein.

The Code is based on the principle that non-access directors and employees of GCM LP owe a fiduciary duty to GCM LP’s clients and investors in the Funds and must place the interests of GCM LP’s clients and investors in the Funds above their own. All non-access directors and employees must comply with federal securities laws, report violations of the Code or federal securities laws to GCM LP Compliance and acknowledge their understanding and acceptance of the Code.

### New Employees

Per the Code, all new employees of GCM LP are required to promptly:

- Disclose all personal securities accounts and holdings in covered securities
- Transfer personal securities accounts to a GCM LP approved broker
- Attest that they have read and understand their responsibilities and requirements as outlined in the Code.

### Reporting Requirements

The Code outlines certain quarterly and annual reporting requirements for all employees. On a quarterly basis, these individuals are required to confirm the accuracy of all personal accounts on file with GCM LP and report all personal securities account transactions in covered securities, including gifts of covered securities. On an annual basis, all employees are required to report all personal account holdings in covered securities and attest to having read and understood their responsibilities and requirements as outlined in the Code.

### Rules for Employees

In addition to the reporting requirements set forth above, the Code requires that all employees adhere to the following rules as outlined in the Code:

- Pre-clear all covered securities transactions with GCM LP Compliance, subject to certain exemptions.
- Seek approval from GCM LP Compliance to invest in private placement transactions.
- Surrender profits from “short-swing” trading (purchase and sale of the same security within a 60-day period), subject to certain limited exceptions.

- The Code also contains restrictions or prohibitions which include, but are not limited to:
  1. trading in securities deemed restricted by GCM LP Compliance due to potential conflicts of interest involved in transacting such securities;
  2. creating or maintaining a short position;
  3. participating in initial public offerings;
  4. participating in investment clubs;
  5. investing in hedge funds;
  6. transacting with any client's portfolio;
  7. market timing;
  8. serving as a director of public or certain private companies.
  9. using derivatives to circumvent the rules.

In addition to the requirements described above, portfolio managers with responsibility for making investment decisions for a client account are prohibited from (1) trading in their personal accounts within seven days of a client account for which such person is involved in the day-to-day management, subject to limited exceptions, and (2) intentionally failing to recommend or trade for a client account so as to trade in their personal accounts.

Non-access directors of GCM LP who are not involved in the day-to-day operations of either GCM LP or any of its clients' portfolios and who do not generally have access to nonpublic information regarding trading activities or portfolio holdings of GCM LP's clients or investment recommendations or decisions of GCM LP are not subject to the foregoing requirements. A non-access director must report personal securities transactions only in certain limited circumstances where the director obtains access to certain nonpublic information regarding trading activities in a client's portfolio.

The Code establishes sanctions if its requirements are violated, up to and including dismissal from employment.

The foregoing is only a summary of the provisions of the Code and is qualified in its entirety by the detailed provisions appearing in the full text of the Code, a copy of which is available upon request to any client or potential client of GCM LP. If you wish to request a copy of GCM LP's Code of Ethics, please call: (617) 392-8533.

## **Item 12 – Brokerage Practices**

GCM LP is obligated to seek to obtain best execution for its customers. Best execution is generally characterized as the process by which an adviser seeks the most favorable terms for its clients. It is often associated with seeking the lowest transaction cost (e.g. lowest commission) for brokerage services rendered combined with best market price in order to minimize total purchase cost or maximize total sales proceeds. Other brokerage and trading services may also be considered in analyzing execution practices including but not limited to trading expertise, reputation and integrity, market access, confidentiality, promptness of execution, clearance and settlement, order positioning, financial stability, and fairness in resolving disputes.

GCM LP strives to execute securities transactions for clients in such a manner that the client's net cost or proceeds in each transaction is the most favorable under the circumstances. GCM LP's best execution policy applies to all transactions in all instruments, regardless of the fund or account.

In selecting a counterparty and market through which to affect a trade, and in determining whether a particular transaction represents best execution, GCM LP considers a range of quantitative and qualitative factors, including but not limited to the following:

#### Counterparty Considerations

- Trading Expertise
- Reputation and Integrity
- Size and type of transaction
- Access to liquidity
- Execution efficiency
- Capital utilization
- Clearance and settlement capabilities
- Reasonableness of commission rate or spread
- Financial responsibility
- Fairness in resolving disputes

#### Market Considerations

- Size and type of transaction
- Characteristics of the market(s) in which the security may be traded
- Nature of post-trade settlement, custody and foreign exchange structures

#### Oversight

GCM LP utilizes an independent third-party system for exchange-traded cost analysis, whereby best execution and transaction costs are evaluated for each trade. This evaluation occurs for trades across all Client Accounts and includes an assessment of trading slippage (the difference between benchmark costs and actual trading expense) as well as an examination of trading efficiency, whereby costs are examined on a trade-by-trade basis. The traders review these analyses on a regular basis. GCM LP may also compare executions by routing portions of the same order to different brokers and comparing executions.

For OTC transactions, best execution and transaction cost analysis are evaluated by traders based on selecting the best available bid or offer from multiple quotations from market makers. The selection process may involve either reviewing published multiple bids and offers to reach a conclusion as to available execution for specific securities, or actively engaging multiple market makers to provide bids and offers to Geode on specific securities. When a trader has reached a conclusion on available execution costs, the trader may designate an execution level and approach an approved broker to “work” the order in the market. Under these circumstances, best execution may be achieved when the broker accomplishes the order at the designated execution level.

Additionally, the firm’s Investment and Operations Committees review trading costs and best execution on a monthly, quarterly and annual basis. In addition to third-party trading cost analysis, Geode has a proprietary application that allows the traders to check for reasonableness of the trading costs.

### Prime Brokerage

GCM LP currently trades for the benefit of its clients through prime brokerage arrangements that are designed to allow trading with multiple brokers while centralizing clearance and custody through prime brokers. Under these arrangements, GCM LP places trades through accounts with different executing brokers in the name of one of its prime brokers for the benefit of GCM LP and its clients. GCM LP directs delivery of funds or securities to a prime broker, who is responsible for custody, clearance, and settlement services including matching trades with executing brokers and delivering account confirms and statements to GCM LP.

Further, prime brokers may, as an incident to their services (and not for any additional compensation), sponsor conferences or seminars or provide so-called “capital introduction services” in which consultants and prospective institutional investors may be introduced to GCM LP or limited partnerships managed by GCM LP, consistent with applicable private offering restrictions.

### Brokerage and Research Services

GCM LP may execute portfolio transactions with broker-dealers that, in connection with the execution of such transactions, provide brokerage or research services, consistent with Section 28(e) of the Securities Exchange Act of 1934. Currently, GCM LP does not enter into traditional soft dollar arrangements in which it uses client brokerage to obtain research or other services from broker-dealers where there is an explicit target or ratio linked to GCM LP’s commission business with such broker-dealers. GCM LP may, however, receive research and electronic trading, order routing, algorithmic trading and risk monitoring services from broker-dealers including prime brokers as an incident of doing business with these broker-dealers, but only where there is no formalized arrangement with an explicit target or ratio linked to GCM LP’s commission business with such broker-dealers. There may be limited instances where GCM LP may determine that a higher commission is reasonable in relation to the value of brokerage or research services received, viewed in terms of the particular transaction or GCM LP’s responsibilities with respect to Client Accounts for which it exercises investment discretion.

### Transactions Among Clients

GCM LP may execute transactions between Private Funds it manages. Such transactions will be executed in accordance with procedures adopted by the board of trustees or directors (as applicable) of GCM LP’s clients.

### Trade Allocation Policies

Due to the nature of the investment strategies employed by GCM LP, trade orders for Client Accounts are typically time sensitive and trade type specific. Consequently, orders for Client Accounts are not typically combined or blocked. However, GCM LP may, when feasible and when consistent with the fair and equitable treatment of all Client Accounts, and accounts advised by its affiliates (if applicable), and best execution, enter into block orders for execution in accordance with established procedures. The benefits (*e.g.*, more advantageous net price), if any, obtained by such blocking are generally allocated pro-rata among the Client Accounts, and accounts advised by GCM LP’s affiliates (if applicable), that participated in the blocked trade. GCM LP’s policies seek to assure that each Client Account, and each



account advised by its affiliates (if applicable), is treated fairly and that no such account in the aggregate is disadvantaged by the policies. GCM LP's allocation policies are summarized below.

GCM LP has established an allocation policy for its various Client Accounts to ensure allocations are appropriate given its clients' differing investment objectives and other considerations. When the supply/demand is insufficient to satisfy all outstanding trade orders, generally the amount executed is distributed among participating Client Accounts, and accounts advised by GCM LP's affiliates (if applicable), based on account asset size (for purchases and short sales), and security position size (for sales and covers), or otherwise subject to the considerations noted below. Generally, allocations are determined by traders, independent of portfolio managers, in accordance with these policies. Allocations are determined and documented on trade date.

GCM LP's trade allocation policies identify circumstances under which it is appropriate to deviate from the general allocation criteria and describe the alternative procedures. For example, if a standard allocation would result in an Client Account, or an account advised by its affiliates (if applicable), receiving a very small allocation (*e.g.*, on account of its small asset size), the account may receive an increased allocation to achieve a more meaningful allocation, or the account may receive no allocation.

To identify and mitigate potential conflicts of interest, GCM LP monitors trading in Client Accounts managed by GCM LP to ensure that trading is conducted in a fair and equitable manner.

GCM LP's portfolio managers may from time to time purchase equity securities in initial or secondary public offerings when such securities become available and are consistent with the investment objectives of eligible accounts. When initial or secondary purchase orders exceed available supply, allocations will be made on a pro-rata basis and will generally be based on each portfolio's applicable net assets (but not to exceed order size). Any exceptions to GCM LP's trade allocation policies (*i.e.*, special allocations) must be approved by senior investment or trading personnel, and reviewed and documented by the compliance department.

### **Item 13 – Review of Accounts**

On a continuous basis, portfolio managers manage, monitor, and review their Client Accounts. Portfolio Managers are responsible for the suitability and appropriateness of holdings and transactions in light of the account's specific investment objective and strategy. Compliance and senior management also take an active role in reviewing Client Accounts. The President and Chief Investment Officer oversee the portfolio managers and their Client Accounts, including the number of accounts assigned to each portfolio manager. The entities for which GCM LP provides investment advisory services, or their clients, may similarly review and conduct oversight of the activities within their accounts.

GCM LP communicates regularly with its clients to discuss all aspects of the portfolios to which GCM LP provides investment advisory services. GCM LP may provide periodic account reports to its clients. These reports may include, among other information, securities purchased and sold, portfolios and brokerage commissions paid, portfolio composition, performance and market information. GCM LP may also provide to its clients periodic certifications and reports.

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

GCM LP has entered into solicitation arrangements with broker-dealers (the “Solicitors”) where the Solicitors agree to provide certain solicitation services to GCM LP in accordance with Rule 206(4)-3.

The Solicitors will, for an agreed upon compensation, solicit advisory clients for GCM LP by introducing GCM LP to potential clients and facilitating GCM LP’s presentation of investment advisory proposals to such potential clients. GCM LP has not increased its fees to facilitate its payment of compensation to the Solicitors. However, GCM LP may negotiate lower fees with certain clients for similar investment strategies where GCM LP believes the size of the account or the nature of the services merit lower fees.

#### **Item 15 – Custody**

GCM LP may be deemed to have custody of client assets under applicable SEC rules because it may have the ability to deduct advisory fees directly from certain of its Private Fund Clients’ Accounts, even though an independent, qualified custodian has been appointed by such funds or accounts to serve as custodian. Investors may review the annually audited financial statement of fund(s) they are invested in to determine the amount of advisory fees deducted.

#### **Item 16 – Investment Discretion**

GCM LP’s fiduciary duty requires it to give investment advice that is suitable and appropriate to a particular client, and to have an adequate basis in fact for its investment recommendations. GCM LP is required to provide a certain amount of individualized treatment to its clients. GCM LP’s discretionary authority is limited to the purchase and sale of investments, selection of brokers, negotiation of commission rates, and its client’s investment objectives and investment policy restrictions. The portfolio composition within the same investment strategies may, at any given time, differ as to securities invested, security and industry weightings, leverage thresholds and cash levels. As a result, the performance of a Client Account within a particular investment strategy may differ from other Client Accounts, or other accounts advised by GCM LP’s affiliates, with similar or identical investment objectives and strategies. Clients should not expect that the performance of their portfolios will be identical to the performance of such other portfolios with similar investment objectives and strategies.

GCM LP recognizes that it has a fiduciary duty to all Client Accounts it provides investment management services. GCM LP further recognizes that this duty requires fair, equitable and ethical treatment of all of the Client Accounts so that they share in the expertise and benefits of collective management and trading while providing full consideration of the individual investment objectives, policies, limitations and other requirements of each Client Account. GCM LP and its affiliates employs trading policies to provide guidance to its investment professionals as to the fulfillment of GCM LP’s fiduciary duties and to establish procedural safeguards for the management and resolution of actual or potential conflicts of interest among Client Accounts and between Client Accounts and accounts advised by GCM LP’s affiliates. .

GCM LP reviews each advisory contract to ensure that it complies with applicable law. GCM LP also is responsible for ensuring that the advisory contract is not inconsistent with disclosures in its Form ADV. Prior to opening an account for a client, GCM LP will determine whether the client appears on any list of

known or suspected terrorists or terrorist organizations issued by any Federal government agency and designated as such by Treasury in consultation with the Federal regulators.

#### **Item 17 – Voting Client Securities**

GCM LP's authority is initially established by advisory contracts or comparable documents. Generally, GCM LP does not intend to vote investment proxies on behalf of the Private Funds it manages, although GCM LP may do so in limited circumstances where GCM LP believes that voting is likely to result in an enhancement of the value of the investment. Because GCM LP generally employs a quantitative investment strategy, which is not a fundamental based strategy (and the turnover rate is expected to be relatively high), it was determined, in general, that benefits derived from voting proxies are outweighed by the cost of such proxy voting.

Clients may contact GCM LP directly to obtain a copy of its proxy voting policies.

#### **Item 18 – Financial Information**

GCM LP has no financial commitment that impairs its ability to meet contractual and fiduciary commitments to clients, and has not been the subject of a bankruptcy proceeding.

## Addendum

### **Privacy Notice**

#### Geode Capital Management LP

This Privacy Notice, which is provided on behalf of Geode Capital Management L.P. ("GCM LP"), sets forth GCM LP's policies with respect to nonpublic information of fund investors. These policies are subject to change.

GCM LP does not disclose a fund investor's non-public information to any non-affiliated third parties, except as necessary or appropriate in connection with the investor's fund investment or as required or specifically permitted by law.

GCM LP may collect the following non-public personal information from investors and disclose the information to affiliated and non-affiliated companies that perform services on its behalf:

- Information received from an investor in correspondence, subscription documents, or other forms, such as the name, address, social security or tax identification number, assets, and other financial information; and
- Information about an investor's transactions with GCM LP and its affiliates, including but not limited to subscriptions and withdrawals, and the value of the investor's fund investment.

GCM LP restricts access to an investor's non-public information to those employees and agents of GCM LP who need to know such information in order to provide services with respect to an investor's fund investment. GCM LP maintains physical, electronic and procedural safeguards in order to ensure the security and confidentiality of nonpublic fund investor information and to prevent unauthorized disclosure of such information.