



Form ADV Part 2A

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*This brochure provides information about the qualifications and business practices of Matarin Capital Management, LLC. If you have any questions about the contents of this brochure, please contact our Chief Compliance Officer, Rachel Gerwin, at (646) 604-7639 or [rgerwin@matarin.com](mailto:rgerwin@matarin.com).*

*Matarin Capital Management, LLC is registered with the U. S. Securities and Exchange Commission (the "SEC") as an investment adviser. Registration as an investment adviser does not imply any level of skill or training. The oral and written communications of an investment adviser may provide you with information that may be useful in making a determination as to whether to hire or retain such investment adviser.*

*Additional information about Matarin Capital Management, LLC may be accessed on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov); select Investment Adviser Search and input "Matarin Capital" as the Firm name.*

*The information in this brochure has not been approved or verified by the SEC or by any state securities authority.*

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## Item 2      Material Changes

1. This is an annual updating amendment to our most recent Form ADV Part 2A filed in February 2018. There are no material changes to this Brochure since such version. The other-than-annual amendment filed in February 2018 reflected the material change of the Firm's office location.
2. We will update this Brochure annually; in addition, we may at any time update this Brochure if there is a material change to any of the information reflected herein. If we do, we will either send you a copy of the updated Brochure (by email or in hard copy) or provide access to a copy via a secure website.
3. If you would like an additional copy of this Brochure, you may download it from the SEC's public disclosure website (IARD), [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov), or contact our Chief Compliance Officer, Rachel Gerwin, at [rgerwin@matarin.com](mailto:rgerwin@matarin.com) to obtain a free copy.

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### Item 3 Table of Contents

Item 1	Cover Page .....	1
Item 2	Material Changes.....	2
Item 3	Table of Contents.....	3
Item 4	Advisory Business .....	4
Item 5	Fees and Compensation .....	5
Item 6	Performance-Based Fees and Side-By-Side Management.....	7
Item 8	Methods of Analysis, Investment Strategies and Risk of Loss .....	9
Item 9	Disciplinary Information .....	13
Item 10	Other Financial Industry Activities and Affiliations .....	14
Item 11	Code of Ethics .....	15
Item 12	Brokerage Practices .....	17
Item 13	Review of Accounts .....	21
Item 14	Client Referrals and Other Compensation .....	22
Item 15	Custody .....	23
Item 16	Investment Discretion .....	24
Item 17	Voting Client Securities.....	25
Item 18	Financial Information.....	27

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## Item 4      Advisory Business

Matarin Capital Management, LLC (“Matarin,” the “Company,” the “Firm,” or “we”) was established in July 2010. We are a majority women- and minority-owned asset management firm with offices in New York, New York. Matarin is owned by Valerie Malter, Co-Founder and Managing Principal; Nili Gilbert, Co-Founder and Portfolio Manager; Stuart Kaye<sup>1</sup>, Co-Founder and Portfolio Manager; Ralph Coutant, Principal and Portfolio Manager; and Marta Cotton, Principal and Director of Client Development.

Matarin aspires to be an investment management firm that is a symbol of stewardship within our industry. We are dedicated to delivering excellent investment performance through insight, passion, and diligence. We aim to build strategic alliances with our clients based on the highest of ethical standards.

Currently, the Firm provides discretionary investment advisory services to high net worth individuals, institutional investors, and a private fund (collectively, “Clients”), primarily focusing on U.S. equities. Our proprietary models, while quantitatively constructed, are based on fundamental insights and provide the foundation for our long-only and long/short investment product suite. We primarily invest in common stocks but may invest in commodity futures, currencies, debt instruments, and other securities in implementing our strategies.

The Firm currently manages separately managed accounts for external clients under three investment strategies: North America Small Cap (long-only), Large Cap Core (long-only), and Micro Cap (long-only). In addition, the Firm manages a smaller account (less than 0.02% of the Firm’s regulatory AUM as of December 31, 2017) of assets beneficially owned by one of its principals under an all-cap low volatility strategy; the Firm does not currently manage any external assets using this strategy, although it may do so in the future. The Firm also manages a hedge fund, Matarin Market Neutral U.S. Plus, LP (the “Fund”). Matarin Advisors I LLC (the “General Partner”) is the general partner of the Fund. The General Partner is wholly-owned by Matarin Capital Management, LLC. Finally, the Firm expects that it may soon serve as a sub-adviser to a Collective Investment Trust vehicle deploying its North America Small Cap strategy.

As of December 31, 2017, the Firm’s regulatory assets under management were \$1,329,408,430.

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<sup>1</sup> Valerie Malter and Stuart Kaye have been married to one another since 1996.

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## Item 5 Fees and Compensation

### Management Fee

Matarin believes its Clients should benefit from any outperformance realized on their behalf while providing the Firm with reasonable financial incentives to align its interest with theirs. Our fees are structured to achieve this goal. For all currently-available products, generally 75% of our targeted outperformance will accrue to Clients. Management fees will be capped using a predetermined formula.

Management fees and minimum account size are negotiable.

### Fee Structure by Investment Strategy

- North America Small Cap (long-only): 1% on the first \$10 million; 70 basis points on the next \$50 million; and 60 basis points thereafter
- Large Cap Core (long-only): .5% flat fee
- Micro Cap (long-only): 1.5% flat fee
- Fund (Matarin Market Neutral U.S. Plus LP): 1% management fee and 10% incentive fee paid on returns above benchmark

*Note that no fees are charged to the account in which the all-cap low volatility strategy is deployed; as outlined in Item 4 above, this strategy is not currently available to external investors, although may be in the future.*

### Separately Managed Accounts

For separately managed accounts of external clients, both management fees and performance fees (if any) are generally billed quarterly in arrears.

### Private Fund

Matarin receives a management fee based on a certain percentage of the Fund's net assets and is entitled to a performance fee upon achievement of certain performance goals.

Management fees are charged quarterly in arrears. Performance fees are charged annually in arrears based on the NAVs at year end. Accounts initiated or terminated during a calendar year will be charged a prorated fee based on the NAV as of the date of account initiation or termination.

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The above is not intended as a complete description of the fees that may be applicable to an investment in the Fund. Details concerning applicable fees are set forth in the Fund's limited partnership agreement and private placement memorandum.

### **Fees Charged to Principals and Certain Early Investors**

Due to the special relationship with its principals and certain early investors, Matarin may charge a reduced or no fee for providing investment management services to them (including as investors in the Fund).

### **Other Fees and Expenses**

Matarin's fees are exclusive of brokerage commissions, transaction fees, and other related costs and expenses, which shall be incurred by the applicable Client. Clients may incur certain charges imposed by custodians, brokers, and other third-parties such as fees charged by managers, 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. Clients may invest in other collective investment vehicles managed by third-party investment managers which also charge management fees, which are disclosed in the collective investment vehicles' prospectus or offering memorandum.

Item 12 further describes the factors that the Firm considers in selecting or recommending broker-dealers for Clients' transactions and determining the reasonableness of their compensation (e.g., commission rates and mark-ups and mark-downs).

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

Matarin may charge performance-based fees (fees based on a share of capital gains on or capital appreciation of the assets of a Client) in addition to management fees.

Performance-based fee arrangements may create an incentive for the Company to make investments that may be riskier or more speculative than those that may be made under a different fee arrangement. Such fee arrangements also create an incentive to favor potentially higher fee-paying clients over other clients who do not pay an incentive fee in the allocation of investment opportunities.

To ensure that Clients are treated fairly and equitably and to prevent the inappropriate allocation of investment opportunities among Clients, Matarin invests *pari passu*, which it believes mitigates real or perceived conflicts of interest.

Clients should review the respective investment management agreement or Fund documents, as applicable, for detailed information with respect to performance-based fees.

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## **Item 7      Types of Clients**

Matarin provides investment advisory services to institutions, managers of managers, high net worth individuals, and a private fund.

Generally, minimum account sizes range from \$500,000 to \$10 million, depending on the investment strategy. Minimum account size is negotiable.



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

### **1. Methods of Analysis**

Matarin's proprietary models, while quantitatively constructed, are based on fundamental insights with what we believe is sustainable future investment merit. They are designed to capture our best investment thinking regarding the critical sources of risk and return in the market. Because we recognize that these sources of risk and return change over time, the process by which we identify and rigorously test factors is also dynamic.

Our models, like our insights, evolve. Matarin's investment research and the consistent implementation of our models in portfolio construction seek to eliminate the emotional and behavioral biases that are natural to most human decision-making but can be detrimental to investment results.

### **2. Risk Management**

Matarin uses a variety of risk management practices, including the monitoring and adjustment of individual portfolio positions and exposures as well as the use of real-time portfolio evaluation tools.

Our Market Neutral U.S. Plus, North America Small Cap, Large Cap Core, Micro Cap, and All-Cap Low Volatility strategies take advantage of a third-party risk model that monitors various risk factors, including: fundamental, macroeconomic, and statistical risks. An optimization is then used to aid in the construction of portfolios to ensure they adhere to predetermined risk target ranges. In addition, limits for sector, industry, and individual asset over- and underweight positions are monitored regularly.

Notwithstanding the above risk management practices, the Firm's investment strategies inherently involve certain significant risks. Moreover, there can be no assurance that the above practices, even if successfully applied in all cases, will limit risk to levels that are suitable and/or acceptable to all clients or investors.

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### 3. Investment Strategies

Our product suite available to external investors currently includes:

- a. North America Small Cap. This strategy aims to outperform the S&P Small-Cap 600 or Russell 2000® Indices by taking active long-only positions in North American small-capitalization equities.
- b. Large Cap Core. This strategy aims to outperform the S&P 500 or Russell 1000® Indices by taking active long-only positions in U.S. large capitalization equities.
- c. Micro Cap. This strategy aims to outperform the Russell Micro Cap® Index by taking active long-only positions in U.S. micro-capitalization equities.
- d. Market Neutral U.S. Plus (deployed in the Fund). Matarin Market Neutral U.S. Plus Class A aims to outperform cash while minimizing stock market risk by investing both long and short in equities traded in the United States. Matarin Market Neutral U.S. Plus Class B aims to outperform cash by investing both long and short in equities traded in the United States and taking long positions in the futures of stock markets in approximately seven major countries to provide beta (market) exposure.

### 4. Risk of Loss

The risk of loss described herein should not be considered to be an exhaustive list of all risks that Clients and Fund investors should consider. Clients and investors in the Fund should refer to the relevant investment management agreement and Fund offering documents, respectively, for additional information on risk factors, potential conflicts of interest, and risk of loss. Investing in securities involves risk of loss that Clients and investors should be prepared to bear, including, but not limited to, the following:

- a. Concentration. In implementing its strategies, Matarin primarily invests in U.S. equities, although may invest in non-U.S. securities, commodity futures, currencies, debt instruments, and/or other securities. Accordingly, Clients' portfolios may experience more rapid change in value than would be the case if the Company maintained wider diversification in such portfolios.
- b. Matarin's investment strategies may be deemed to be highly speculative and are not intended as a complete investment program. They are designed only for

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sophisticated investors who are able to bear the economic risk of complete loss of their investment and who have a limited need for liquidity in their investments.

- c. **Equity Securities.** Investment in equity securities involves certain risks. The Firm expects to invest Client assets in equity securities. Such investments will be subordinate to the claims of an issuer's creditors and, to the extent such securities are common securities, to preferred stockholders. As with other investments that the Fund may make, the value of equity securities held by the Fund may be adversely affected by actual or perceived negative events relating to the issuer of such securities, the industry or geographic areas in which such issuer operates or the financial markets generally. However, equity securities may be even more susceptible to such events given their subordinate position in the issuer's capital structure. As such, equity securities generally have greater price volatility than fixed income securities, and the market price of equity securities owned by the Funds is more susceptible to moving up or down in a rapid or unpredictable manner. Dividends customarily paid to equity holders can be suspended or cancelled at any time. For the foregoing reasons, investments in equity securities can be highly speculative and carry a substantial risk of loss of principal.
- d. **Non-U.S. Securities and Securities of Certain U.S. Issuers.** 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. All 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.
- e. **Leverage.** The Company does not expect to use leverage in the management of its separate accounts, but may do so in managing the Fund's portfolio. In such case, leverage may be used (1) to manage short-term cash flows (e.g., to provide liquidity for withdrawals or redemptions pending sale of investments or to make investments pending receipt of investors' subscriptions); and/or (2) to enhance returns. The use of leverage would result in the Fund controlling (in some cases substantially) more assets than it has equity. As a general matter, leverage would be expected to increase the Fund's returns if the Fund earns a greater return on investments purchased with borrowed funds than its cost of borrowing such funds. However, the

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use of leverage would expose the Fund to additional levels of risk, including, but not limited to, (i) greater losses from investments than would otherwise have been the case had the Fund not borrowed to make the investments, (ii) margin calls or interim margin requirements which may force premature liquidations of investment positions, and (iii) losses on investments where the investment fails to earn a return that equals or exceeds the Fund's cost of borrowing such funds. In the event of a sudden, precipitous drop in value of the Fund's assets, the Fund might not be able to liquidate assets quickly enough to repay its borrowings, further magnifying its losses. The use of leverage can increase investment losses.

- f. **Short Sales.** The Company's investment program on behalf of one or more Clients (currently, the Fund only) may include a certain, and potentially a significant, amount of short selling. Short selling transactions expose the applicable Client(s) to the risk of loss in an amount greater than the initial investment, and such losses can increase rapidly and without limitation. There is the risk that the securities borrowed by a Client in connection with a short sale would need to be returned to the securities lender on short notice. If such request for return of securities occurs at a time when other short sellers of the subject security are receiving similar requests, a "short squeeze" can occur, wherein the Client 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.
- g. **Certain Conflicts of Interest.** There are a number of actual or potential conflicts of interest that the Firm may have with respect to its Clients. These may arise from the Firm's management of and/or provision of services to other Clients; for example, the Firm currently advises a number of separately managed accounts, which include both those with assets from external investors as well as an account comprising assets beneficially owned by a member of the Firm's investment team. The Firm may manage and/or advise other accounts or clients in the future. Such accounts or clients may employ investment strategies similar to or different from the strategy deployed on behalf of any given Client. The existence of multiple accounts and/or clients may create conflicts as to time and resource commitments on the part of the Firm's employees. While the Firm generally allocates investment opportunities appropriate to a particular strategy in a *pari passu* manner to all Clients in whose accounts such strategy is deployed, the Firm may also apply such other considerations as it deems appropriate, including relative size of the accounts, amount of available capital, size of existing positions in the same or similar securities, and investment objective and strategy considerations.

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## **Item 9      Disciplinary Information**

Matarin does not believe that it has any disciplinary information applicable to this Item to disclose.

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

Matarin is registered as a Commodity Trading Advisor with the National Futures Association. Matarin Market Neutral U.S. Plus LP Class B takes long positions in the futures of stock markets in approximately seven major countries.

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## Item 11 Code of Ethics

Matarin has adopted a Code of Ethics (the “Code”) that is designed to detect and address potential conflicts of interest and prevent acts prohibited by law as required under Rule 204A-1 of the U.S. Investment Advisers Act of 1940, as amended (the “Advisers Act”). The Code states that Clients’ interests should always be placed ahead of any supervised person’s personal interest. In addition, the Company’s Insider Trading Policy forbids any supervised person of Matarin from trading, either personally or on behalf of others, on material non-public information. It also forbids communicating material non-public information to others in violation of the law (i.e., insider trading) or in violation of a fiduciary duty.

The Company’s principals and employees are permitted to buy and sell securities for their own accounts. From time to time, the securities purchased or sold by those individuals may include securities that Matarin has bought or sold for its Clients. The Company has instituted the following procedures to minimize the risk of insider trading and/or conflicts of interest.

Among other things, the Code requires supervised persons to:

- Submit to the Chief Compliance Officer (the “CCO”) an initial and an annual report listing their securities holdings;
- Pre-clear personal securities transactions, other than those exempted by the Code, by the CCO or by other appropriate officers of the Company;
- Provide duplicate copies of account statements to the CCO for review (unless a specific exemption applies);
- Not invest in IPOs or private placements without prior approval from the CCO;
- Not effect short sales of securities without prior approval from the CCO;
- Comply with all applicable federal securities laws, certifying that they have read and understood the Code and will report any violations of the Code to the CCO;
- Not trade either in their personal accounts or on behalf of Clients on the basis of material non-public information; and
- Not use their position for inappropriate personal benefit.

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Employees or principals who violate the Code and/or the Company's Compliance Manual are subject to disciplinary action including, but not limited to, written warnings, fines, and termination of employment.

Potential Conflict of Interest

Nili Gilbert, a Matarin principal, serves on the board of the Synergos Institute, a 501(c)-(3) organization, and also chairs its Investment Committee. While we do not anticipate that these roles will present a conflict of interest that could be detrimental to the Firm's Clients, Ms. Gilbert will discuss Investment Committee and other relevant activities with the CCO in advance and will recuse herself from Synergos Institute activities in the event that, in the determination of Ms. Gilbert and the CCO, participation in such activities would give rise to an actual conflict of interest.

The Company will provide a copy of its Code of Ethics to any Client or prospective Client upon request; any such requests should be made to Rachel Gerwin, Chief Compliance Officer.



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## Item 12 Brokerage Practices

Generally, Matarin believes its fiduciary obligations to its Clients require that it institute policies and procedures that are reasonably designed to ensure that the Company seeks to obtain best execution of its Clients' transactions. Due to our relationships with a number of brokers, we have access to multiple pools of capital through what we believe are among the most sophisticated and up-to-date electronic trading systems available. In addition, we have the opportunity to execute trades with brokers we believe provide best execution.

“Best execution” does not mean effecting transactions at the lowest possible commission rate, transaction costs, and best price, but includes a number of factors mentioned herein.

Matarin seeks to effect transactions at a price, commission, and transaction cost that provides the most favorable total cost or proceeds reasonably attainable under the circumstances. The Firm may consider various factors when selecting broker-dealers including, but not limited to, the nature of the portfolio transaction; the size of the transaction; security conditions (e.g., liquidity, volatility); and the broker's trading expertise, reliability, responsiveness, reputation, execution, clearance, settlement and error correction capabilities, willingness to commit capital, and access to a particular trading market.

Matarin has discretion to determine without obtaining prior consent from Clients:

- the broker or dealer to execute transactions; and
- commission rates or commission equivalents charged for effecting transactions.

### Broker Selection

In selecting broker-dealers (including electronic communications networks) to effect Client transactions, Matarin seeks to obtain best execution under the circumstances, taking into consideration, among others, the relevant broker-dealer's:

- ability to effect prompt and reliable executions at favorable prices;
- operational efficiency with which transactions are effected taking into account the size of order and difficulty of execution;

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- integrity and stability;
  - financial strength;
  - commitment of capital to facilitate transactions;
  - quality, comprehensiveness and frequency of available research services considered to be of value; and
  - commission rates and dealer spreads in comparison with other broker-dealers.

The Firm is not required to weight any of these factors equally.

Client transactions may involve specialized services on the part of a broker-dealer, which may justify higher commissions (and mark-ups or mark-downs) than would be the case for more routine services.

#### Research and Brokerage Services (Soft Dollars)

As is customary in the industry, broker-dealers may provide their own proprietary research to investment advisers, including the Firm. Generally, commissions and other transaction costs (e.g., “mark-ups” and “mark-downs”) paid to these broker-dealers to execute transactions include the cost to receive brokerage services. Matarin’s quantitative investment model does not rely on external research. Further, it is also Matarin’s policy to prohibit the use of third-party research products and/or services paid for with Clients’ commissions (“soft dollars”).

#### Directed Brokerage

The Firm discourages directed brokerage arrangements. However, with Matarin’s consent, Clients may direct the Firm to effect some or all of their transactions with certain broker-dealers. In the event that the Firm agrees to accept a Client’s directed brokerage instructions, the Client should be aware that the Firm may not be able to obtain best execution for its transactions and may receive less favorable prices and pay higher commission rates or incur higher transaction costs for executing these transactions. Generally, directed trades will be executed subsequent to the execution of non-directed trades, which may result in the Client realizing a less favorable (or more favorable) execution price. However, when feasible and at the discretion of the Firm, the Firm may aggregate directed trades with non-directed trades for execution and “step out” the applicable Client’s trades to the directed broker. In such cases, Clients that provide directed brokerage instructions will receive the same average price as the other Clients in the aggregation.

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### Aggregation and Allocation

Matarin, at its discretion, may aggregate orders in the same security for Clients transacting in that security and will generally allocate the securities or proceeds (and the related transaction expenses) on an average-price basis among the applicable Clients.

The Firm believes that by aggregating orders, commission rates and transaction costs may be reduced as a result of such aggregation. However, in certain instances, average pricing may result in higher or lower total net execution price than otherwise obtainable by effecting Client transactions separately. Matarin believes that aggregating orders contributes to seeking best execution.

### Trade Errors

From time to time, the Firm's trading activities may result in the occurrence of a trade error. For example, trade errors may happen as a result of buying or selling the incorrect amount of securities (e.g., 10,000 shares were purchased when the intention was to purchase 1,000 shares), effecting transactions for the wrong client, or transacting the order in the wrong direction (e.g., shares were purchased when they should have been sold). When trade errors occur, the Firm's policy is to correct the error promptly. In the event that the error created a loss for the Client, the Firm will make the Client whole for the loss. If a third party caused the error (e.g., Matarin properly gave trade instructions to a broker-dealer but the broker-dealer executed the order incorrectly), the Firm will endeavor to collect from the third party the amount lost as a result of the error; however, the Firm will make the client whole whether or not it is successful in collecting the amount lost as a result of the error from the third party.

### Principal and Agency Cross-Transactions

"Principal transactions" are generally defined as transactions where an adviser, acting as principal for its own account or the account of an affiliated broker-dealer, buys securities from or sells securities to advisory clients. A principal transaction may also be deemed to have occurred if a security is crossed between an affiliated fund and another client account.

An "agency cross transaction" is defined as a transaction where a person acts as an investment adviser in relation to a transaction in which the investment adviser, or any person controlled by or under common control with the investment adviser, acts as broker for both the advisory client and for another person on the other side of the transaction. Agency cross transactions may arise where an adviser is dually registered as a broker-dealer or has an affiliated broker-dealer. Matarin is neither registered as, nor is affiliated with, a broker-dealer.

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In certain situations, however, Matarin may facilitate cross-trade transactions between Clients. Specifically, Matarin is permitted to facilitate cross trades between two (or more) Clients where Matarin does not act as a broker and does not receive any commission or commission-equivalent fee. In these instances, Matarin will ensure that (i) the cross trade is in line with its duty to seek best execution with respect to all Clients involved and (ii) the trade is consistent with the best interests of each Client involved.

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## Item 13    Review of Accounts

### Account Reviews

Stuart Kaye, Ralph Coutant, and Nili Gilbert, portfolio managers and principals, monitor Client portfolios continuously to ensure consistency with the Firm's investment processes and conformity with Clients' objectives and guidelines. Positions, potential investments, cash, and other portfolio parameters are reviewed daily by the investment team.

### Client Reports

Separately managed account Clients receive monthly statements from their respective custodians.

Fund investors receive monthly statements from the Fund's administrator. In addition, investors receive the Fund's audited annual financial statements.

Matarin provides Clients and Fund investors with monthly and/or quarterly account reports and/or statements that include portfolio exposures and performance information.

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

### Client Referrals

We have not entered into any arrangements with solicitors or other third parties whereby such third parties are compensated for referring Clients to the Firm or for referring investors to investment vehicles managed by us.

### Other Compensation

Matarin has not entered into any arrangement under which it receives any economic benefit, including sales awards or prizes, from a person who is not a Client for providing advisory services to Clients.

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## Item 15 Custody

### Separately Managed Accounts

Clients' assets are held by a custodian (e.g., bank, broker-dealer, or other qualified custodian) of their own selection.

### Private Fund

In the case of the Fund, assets are held at a broker-dealer of our choosing.

The general partner of the Fund (Matarin Advisors I LLC), a wholly-owned subsidiary of Matarin, does have custody of the Fund's assets.

However, investors in the Fund receive a monthly statement from the Fund's Administrator, NAV Consulting, Inc. ("NAV"). NAV independently calculates Fund returns. Additionally, the Fund is audited annually by an independent auditor registered with and subject to regular inspection by the Public Company Accounting Oversight Board. The audited financial statements are prepared in accordance with U.S. Generally Accepted Accounting Principles ("GAAP") and copies are offered to the Fund's investors no later than 120 days after the end of the Fund's fiscal year.

Also, consistent with best practices, the Fund's Administrator must review and approve all cash flows into or out of the Fund. Neither Matarin nor Matarin Advisors I LLC, individually or collectively, has sole discretion over the movement of cash either into or out of the Fund.

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## **Item 16    Investment Discretion**

Matarin only accepts fully-discretionary accounts. Each Client is expected to sign a power of authority that gives Matarin the right to execute on its behalf. In the case of separately managed accounts, all risk and return parameters as well as goals, objectives, and benchmarks will be clearly outlined in the investment management agreement and will be agreed to by all parties. Investors in our Fund will be required to sign the respective Fund's subscription documents, which authorize the Firm to exercise investment discretion. Pursuant to these authorizations, Matarin is granted discretionary authority to make investment decisions and to select the broker-dealer to effect these decisions and the commission rates to be paid.

Investment guidelines and restrictions must be approved by Matarin in writing.



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## Item 17 Voting Client Securities

Matarin has implemented policies and procedures regarding the voting of proxies as required under Rule 206(4)-6 of the Advisers Act. This Rule generally requires Matarin (i) to adopt policies and procedures reasonably designed to ensure that proxies, with respect to securities in the Clients' accounts, are voted in the best interest of its Clients; (ii) to maintain records relating to proxy voting; and (iii) in the limited circumstances where Matarin is required to exercise voting discretion, to disclose how information may be obtained on how Matarin votes proxies.

Matarin has adopted Proxy Voting Policies and Procedures that are reasonably designed to ensure that proxies with respect to Clients' portfolio securities in the best interests of those Clients pursuant to its Proxy Voting Policy and Procedures.

Matarin does not generally directly vote proxies on behalf of its Clients' accounts. In the event that the Firm receives proxy voting materials with respect to securities in Client accounts over which it does not exercise voting discretion, it will promptly provide those materials to the appropriate Clients, or to any third-party service provider retained by the Firm to vote on behalf of such Clients. Proxies over which Matarin does not exercise voting discretion are voted either directly by the Client or, alternatively, by service providers retained directly by, and who act on behalf of, the Client, subject to the Client's directives and supervision.

In addition, for those Clients who opt to have Matarin manage their proxies, Matarin has retained Glass Lewis & Co. ("Glass Lewis"), an unaffiliated governance analysis and proxy voting firm serving institutional investors that collectively manage more than \$15 trillion in assets with research focused on the (i) long-term financial impact of investment and proxy vote decisions, and (ii) creation and preservation of long-term shareholder value.

With respect to the aforementioned designated accounts, Matarin uses Glass Lewis' General Policy. Glass Lewis' General Policy seeks to focus on facilitating shareholder voting in favor of governance structures that will drive performance and create shareholder value. In addition to that General Policy, Matarin may elect to utilize another policy as an overlay enhancement. For example, Matarin may elect to utilize Glass Lewis' ESG Guidelines as a policy overlay to the General Policy. The ESG Guidelines seek to enhance investment return with a focus on disclosing and mitigating company risk with regard to ESG-related issues.

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Copies of the General Policy and any appropriate policy overlay will be made available to prospective and current Clients of Matarin upon written request.

In connection with Matarin's annual review of its Proxy Voting Policies and Procedures, Matarin will review and assess the effectiveness and desirability of continuing to retain Glass Lewis and utilizing the General Policy (with or without any policy overlays) not less than once annually.

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## **Item 18    Financial Information**

The Firm does not require or solicit prepayment of more than \$1,200 in fees from any Client six months or more in advance; accordingly, no financial information is provided.

We do not believe that there are any financial commitments that are likely to impair our ability to meet our contractual commitments to our Clients, and we have not been the subject of any bankruptcy proceedings.