



**FRESHFORD CAPITAL**  
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This brochure provides information about the qualifications and business practices of Freshford Capital Management, LLC (the “Adviser”), an investment adviser registered with the United States Securities and Exchange Commission (the “SEC”). If you have any questions about the contents of this brochure, please contact us at (914) 949-0250 or [info@freshfordcapital.com](mailto:info@freshfordcapital.com). This information has not been approved or verified by the SEC or by any state securities authority.

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

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

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

Freshford Capital Management, LLC (the "Adviser") is an investment adviser with its principal place of business in Rye Brook, New York. The Adviser commenced operations as an investment adviser on October 1, 2008 and has been registered with the SEC since July 22, 2011. Michael G. Doheny (the "Managing Member") is the principal owner and managing member of the Adviser.

The Adviser provides investment supervisory services on a discretionary basis to clients, which consist of pooled investment vehicles intended for institutional investors and other sophisticated investors (collectively, the "Funds").

The Adviser provides advice to the Funds based on specific investment objectives and strategies. The Adviser does not tailor advisory services to the individual needs of investors in the Funds (collectively, "Investors"). Investors may not impose restrictions on investing in certain securities or certain types of securities; although, as further discussed in Item 16 below, the Funds, which are typically managed on a pari passu basis, may from time to time receive different allocations of securities based on total assets of each Fund eligible to participate in a particular investment (e.g., initial public offerings ("new issues")).

As of December 31, 2016, the Adviser had approximately \$334,274,825 of net assets under management, all on a discretionary basis. For disclosure regarding the Adviser's regulatory assets under management, please refer to Item 5.F. of the Adviser's Form ADV Part 1A.

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

The Funds pay the Adviser an investment management fee ranging from 0.0% to 1.5% per annum, depending on the date of an Investor's initial investment in the applicable Fund. The investment management fees are calculated and paid monthly in advance based on the value of the assets of each Fund as of the first business day of each month. Investment management fees will be adjusted for contributions/subscriptions and withdrawals/redemptions made during the month. Investment management fees are deducted from each Fund monthly by instructing the administrator of the Funds to deduct the applicable fee.

The Adviser (or its affiliate) will also be paid or allocated annual performance-based compensation, which is compensation that is based on a share of capital appreciation of the assets of a Fund. This compensation rate ranges from 17% to 20% and is subject to a loss carryforward provision and, in certain cases, to an adjustment for early withdrawals/redemptions.

The Adviser (or its affiliate) may waive or modify the investment management fee or performance-based compensation for Investors that are members, employees or affiliates of the Adviser, relatives of such persons, and for certain large or strategic investors.

Each Fund will pay its own expenses, including the fees paid to the Adviser, Fund legal, compliance, administrator (including NAV calculation agent expenses, if any), audit and accounting expenses (including third party accounting services); proxy voting services, if any; investment expenses such as commissions, research fees and expenses; interest on margin accounts and other indebtedness; borrowing charges on securities sold short; custodial fees; bank services fees; Fund-related insurance costs; directors' fees and expenses, if any; and any other expenses reasonably related to the purchase, sale or transmittal of Fund assets. In addition, Funds will incur brokerage and other transaction costs. Please refer to Item 12 for a discussion of the Adviser's brokerage practices.

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

The Adviser and its investment personnel provide investment management services to multiple portfolios for multiple Funds. The Adviser is entitled to be paid or allocated performance-based compensation by such Funds. In addition, the Adviser's investment personnel are typically compensated on a basis that

includes a performance-based component. When the Adviser and its investment personnel manage more than one Fund a potential exists for one Fund to be favored over another Fund. In addition, certain Funds may have higher investment management fees than other Funds. The Adviser and its investment personnel have a greater incentive to favor Funds that pay the Adviser higher fees or in which the Adviser or its personnel have a more significant interest.

The Adviser has adopted and implemented policies and procedures intended to address conflicts of interest relating to the management of multiple Funds and the allocation of investment opportunities. The Adviser reviews investment decisions for the purpose of ensuring that all Funds with substantially similar investment objectives are treated equitably. The performance of similarly managed Funds is also regularly compared to determine whether there are any unexplained significant discrepancies. In addition, the Adviser's procedures relating to the allocation of investment opportunities require that similarly managed Funds participate in investment opportunities pro rata based on asset size in the absence of special circumstances, such as tax planning or deploying newly invested cash, and require that, to the extent orders are aggregated, the orders are price-averaged. Finally, the Adviser's procedures also require the objective allocation for limited opportunities (such as new issues and private placements) to ensure fair and equitable allocation among the Funds. These areas are monitored by the Adviser's Chief Compliance Officer.

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

The Adviser's clients consist of the Funds. The initial and additional subscription minimums are disclosed in the Funds' offering memoranda.

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

The Adviser utilizes a variety of methods and strategies to make investment decisions and recommendations. The primary method of analysis is fundamental research.

The Adviser employs the following investment strategies:

Buy and Hold. The Adviser engages in a buy and hold investment strategy wherein the Adviser buys securities and holds them for a relatively longer period of time, regardless of short-term factors such as fluctuations in the market or volatility of the stock price.

Equity. The Adviser's equity strategy focuses on a broad range of equity investment styles, including growth, core, and value.

Fundamental Value. The Adviser engages in a fundamental value investment strategy wherein the Adviser attempts to invest in asset-oriented securities the Adviser believes are undervalued by the market.

Growth. The Adviser engages in a capital growth investment strategy wherein the Adviser attempts to select securities of a company whose earnings the Adviser expects to grow at an above-average rate compared to the company's specific industry or the overall market.

Hedging. The Adviser utilizes a variety of financial instruments such as derivatives, options, interest rate swaps, futures and forward contracts for risk management purposes.

Short Selling. The Adviser engages in short selling strategies. In a short sale transaction, the Adviser sells a security it does not own in anticipation that the market price of that security will decline. The Adviser makes short sales as a form of hedging to offset potential declines in long positions in similar securities, in order to maintain flexibility and for profit.

Relative Value. The Adviser pursues relative value strategies by taking long positions in securities believed to be undervalued and short positions in securities believed to be overvalued.

Option Trading. The Adviser engages in various option trading investment strategies. Options are investments whose ultimate value is determined from the value of the underlying investment. The Adviser engages in the buying, selling and writing of call and put options.

Leverage. The Adviser's investment program may utilize leverage. Leverage involves the borrowing of funds from brokerage firms, banks and other institutions in order to be able to increase the amount of capital available for marketable securities investments.

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

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

Short Selling Risk. The Adviser's investment program includes a significant amount of short selling. Short selling transactions expose the Adviser to the risk of loss in an amount greater than the initial investment, and such losses can increase rapidly and without effective limit. There is the risk that the securities borrowed by the Adviser in connection with a short sale would need to be returned to the securities lender on short notice. If such request for return of securities occurs at a time when other short sellers of the subject security are receiving similar requests, a "short squeeze" can occur, wherein the Adviser might be compelled, at the most disadvantageous time, to replace the borrowed securities previously sold short with purchases on the open market, possibly at prices significantly in excess of the proceeds received earlier.

Hedging. There can be no assurances that a particular hedge is appropriate, or that certain risk is measured properly. Further, while the Adviser 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 the Adviser's investment portfolios than if the Adviser did not engage in any such hedging transactions.

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

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

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

Frequent Trading. The Adviser's strategy may use frequent trading which results in significantly higher commissions and charges to the Funds due to increased brokerage, which will offset Fund profits.

Leverage. Performance may be more volatile if a Fund utilizes leverage.

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.

Small- to Medium Capitalization Companies. The Funds may invest in small- to medium-capitalization companies of a less seasoned nature whose securities are traded in the over-the-counter market. These securities often involve significantly greater risks than the securities of larger, better-known companies.

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 require a high degree of leverage, meaning the overall contract value (and, accordingly, the potential for profits or losses in that value) is much greater than the modest deposit used to buy the position in the derivative contract. Derivative securities can also be highly volatile. The prices of derivative instruments and the investments underlying the derivative instruments may fluctuate rapidly and over wide ranges and may reflect unforeseeable events or changes in conditions, none of which can be controlled by the Fund or the Adviser. Further, transactions in derivative instruments are not undertaken on recognized exchanges, and will expose the Funds to greater risks than regulated exchange transactions that provide greater liquidity and more accurate valuation of securities.

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 Fund. In addition, the Adviser's investments in security futures and options may encounter a lack of a liquid secondary market for a futures contract and the resulting inability to close a futures position prior to its maturity date.

Special Situations. Funds may invest in companies involved in (or the target of) acquisition attempts or tender offers or in companies involved in work-outs, liquidations, spin-offs, reorganizations, bankruptcies and similar transactions. In any investment opportunity involving any such type of special situation, there exists the risk that the contemplated transaction either will be unsuccessful, take considerable time or result in a distribution of cash or a new security the value of which will be less than the purchase price to the Funds of the security or other financial instrument in respect of which such distribution is received. Similarly, if an anticipated transaction does not in fact occur, the Funds may be required to sell their investments at a loss. Because there is substantial uncertainty concerning the outcome of transactions involving financially troubled companies in which the Funds may invest, there is a potential risk of loss by the Funds of a significant portion of their investment in such companies.

Illiquid Instruments. Certain instruments may have no readily available market or third-party pricing. Reduced liquidity may have an adverse impact on market price and the Adviser's ability to sell particular securities when necessary to meet liquidity needs or in response to a specific economic event, such as the deterioration of creditworthiness of an issuer. Reduced liquidity in the secondary market for certain securities may also make it more difficult for the Adviser to obtain market quotations based on actual trades for the purpose of valuing a fund's portfolio.

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. 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.

REITs. REITs in which the Adviser invests are affected by underlying real estate values, which may have an exaggerated effect to the extent that REITs in which the Adviser invests concentrate investments in particular geographic regions or property types. Investments in REITs are also subject to the risk of interest rate volatility. Further, rising interest rates will cause investors in REITs to demand a higher annual yield from future distributions, which will in turn decrease market prices for equity securities issued by REITs. REITs are subject to risks inherent in operating and financing a limited number of projects because they are dependent upon specialized management skills, and have limited diversification. REITs depend generally on their ability to generate cash flow to make distributions to investors.

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

This Item is not applicable.

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

This Item is not applicable.

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

The Adviser has adopted a Code of Ethics (the "Code") that obligates the Adviser and its related persons to put the interests of the Funds before their own interests and to act honestly and fairly in all respects in their dealings with the Funds. All of the Adviser's personnel are also required to comply with applicable federal securities laws. Prospective Investors may obtain a copy of the Code by contacting David Hough, Chief Financial Officer/Chief Compliance Officer by email at [dhough@freshfordcapital.com](mailto:dhough@freshfordcapital.com), or by telephone at (914) 949-0250. See below for further provisions of the Code as they relate to the pre-clearing and reporting of securities transactions by related persons.

The Adviser, 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 the Adviser or its related persons have invested or seek to invest on behalf of the Funds. The Adviser 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. The Adviser 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 ensure that the Adviser is meeting its obligations to the Funds and remains in compliance with applicable law. In certain circumstances, the Adviser 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 the Adviser will be prohibited from communicating such information to the Funds or using such information for the Funds' benefit. In such circumstances, the Adviser will have no responsibility or liability to the Funds for not disclosing such information to the Funds (or the fact that the Adviser possesses such information), or not using such information for the Funds' benefit, as a result of following the Adviser's policies and procedures designed to provide reasonable assurances that it is complying with applicable law.

In addition, an access person or other director/manager, officer or employee of the Adviser (each, a "Covered Person") may invest in the same securities (or related securities, e.g., warrants, options or futures) that the Adviser recommends to the Funds. Such practices present a conflict where, because of the information an Adviser has, the Adviser or the Covered Person is in a position to trade in a manner that could adversely affect the Funds (e.g., place their own trades before or after Fund trades are executed in order to benefit from any price movements due to the Funds' trades). In addition to affecting the Adviser's or the Covered Person's objectivity, these practices by the Adviser or the Covered Persons may also harm the Funds by adversely affecting the price at which the Funds' trades are executed. The Adviser has adopted the following procedures in an effort to minimize such conflicts: The Adviser requires Covered Persons to pre-clear all transactions in their personal accounts with the Managing Member and Chief Compliance Officer, who may deny permission to execute the transaction if such transaction will have any adverse economic impact on one of the Funds. In addition, the Adviser's Code prohibits the Adviser or the Covered Persons from executing personal securities transactions of any kind in any

securities on a restricted securities list maintained by the Chief Compliance Officer, acquiring any direct or indirect beneficial ownership in any initial public offering, private placement or investment opportunities of limited availability without prior written approval of the Chief Compliance Officer or serving on the Board of Directors of any company without prior written approval of the Chief Compliance Officer. All of the Adviser's Covered Persons are required to disclose their securities transactions on a quarterly basis and holdings on an annual basis. All of the Adviser's Covered Persons are also required to provide the Chief Compliance Officer with broker confirmations of each transaction in which they engage and a quarterly certification of such transactions. Trading in employee accounts will be reviewed by the Chief Compliance Officer and compared with transactions for the Funds and reviewed against the restricted securities list.

## **Item 12. Brokerage Practices**

The Adviser considers a number of factors in selecting a broker-dealer to execute transactions (or series of transactions) and determining the reasonableness of the broker-dealer's compensation. Such factors include net price, reputation, financial strength and stability, efficiency of execution and error resolution and offering to the Adviser on-line access to computerized data regarding a Fund's accounts. In selecting a broker-dealer to execute transactions (or series of transactions) and determining the reasonableness of the broker-dealer's compensation, the Adviser need not solicit competitive bids and does not have an obligation to seek the lowest available commission cost. It is not the Adviser's usual practice to negotiate "execution only" commission rates, thus a Fund may be deemed to be paying for research, brokerage or other services provided by a broker-dealer which are included in the commission rate. The Chief Compliance Officer and the trader meet periodically to evaluate the broker-dealers used by the Adviser to execute Fund trades using the foregoing factors.

The Adviser receives research or other products or services other than execution from a broker-dealer in connection with Fund securities transactions. This is known as a "soft dollar" relationship. Except for services that would be a Fund expense, the Adviser 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 ("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. The use of commissions arising from a Fund's investment transactions for services other than research and brokerage will be limited to services that would otherwise be a Fund expense. The use of commissions to obtain such other services would be outside the parameters of Section 28(e).

When the Adviser uses commissions to obtain Section 28(e) eligible research and brokerage products and services, the Adviser's Chief Compliance Officer, trader and portfolio managers meet periodically to review and evaluate its soft dollar practices and 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 the Adviser's overall responsibilities to the accounts or portfolios over which the Adviser exercises investment discretion.



The use of commissions (or markups or markdowns) to obtain research and brokerage products and services raises conflicts of interest. For example, the Adviser will not have to pay for the products and services itself. This creates an incentive for the Adviser to select or recommend a broker-dealer based on its interest in receiving those products and services. The Adviser may cause the Funds to pay commissions (or markups or markdowns) higher than those charged by other broker-dealers in return for soft dollar benefits (known as paying-up), resulting in higher transaction costs for the Funds.

Research and brokerage services obtained by the use of commissions arising from a Fund's portfolio transactions may be used by the Adviser in its other investment activities and thus, a Fund may not necessarily, in any particular instance, be the direct or indirect beneficiary of the research or brokerage services provided. However, because the Funds are managed on a *pari passu* basis, each Fund generally benefits from soft dollars proportionately to the soft dollar credits it generates.

During the Adviser's last fiscal year, as a result of brokerage commissions (or markups or markdowns), the Adviser and/or its related persons acquired 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); and software that provides research analytics and trading strategies.

From time to time the Adviser may participate in capital introduction programs arranged by broker-dealers, including firms that serve as prime brokers to a Fund managed by the Adviser or recommend these Funds as an investment to Investors. The Adviser may place portfolio transactions with firms who have made such recommendations or provided capital introduction opportunities, if the Adviser determines that it is otherwise consistent with seeking best execution. In no event will the Adviser select a broker-dealer as a means of remuneration for recommending the Adviser or any other product managed by the Adviser (or an affiliate) or affording the Adviser with the opportunity to participate in capital introduction programs.

The Adviser often purchases or sells the same security for the Funds contemporaneously and using the same executing broker. It is the Adviser's practice, where possible, to aggregate Fund orders for the purchase or sale of the same security submitted contemporaneously for execution using the same executing broker. Such aggregation may enable the Adviser to obtain for the Funds a more favorable price or a better commission rate based upon the volume of a particular transaction. When an aggregated order is completely filled, the Adviser allocates the securities purchased or proceeds of sale pro rata among the participating Funds, 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. If the order at a particular broker is filled at several different prices, through multiple trades, generally all such participating accounts will receive the average price and pay the average commission, subject to odd lots, rounding, and market practice. If an aggregated order is only partially filled, the Adviser's procedures provide that the securities or proceeds are to be allocated in a manner deemed fair and equitable to the Funds. Depending on the investment strategy pursued and the type of security, this may result in a pro rata allocation to all participating Funds.

The Adviser does not permit Investors to direct brokerage accounts or usage of such brokers.

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

Each Fund is reviewed by the Managing Member of the Adviser on a weekly basis to determine whether securities positions should be maintained in view of current market conditions. Matters reviewed include specific securities held, adherence to investment guidelines and the performance of each Fund. Significant market events affecting the prices of one or more securities in the Fund may trigger reviews on other than a periodic basis.

Investors receive reports from the Funds pursuant to the terms of each Fund's offering memorandum.

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

The Adviser receives certain research or other products or services from broker-dealers through “soft-dollar” arrangements. These “soft-dollar” arrangements create an incentive for the Adviser to select or recommend broker-dealers based on the Adviser’s interest in receiving the research or other products or services and may result in the selection of a broker-dealer on the basis of considerations that are not limited to the lowest commission rates and may result in higher transaction costs than would otherwise be obtainable by the Adviser on behalf of the Funds. Please see Item 12 for further information on the Adviser’s “soft-dollar” practices, including the Adviser’s procedures for addressing conflicts of interest that arise from such practices.

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

An affiliate of the Adviser may be deemed to have custody of the assets of the Funds and relies on the “pooled investment vehicle” exemption from the reporting and surprise audit obligations imposed by Rule 206(4)-2 of the Advisers Act. Accordingly, the Funds are subject to a year-end audit and audited financial statements are provided to underlying investors within 120 days of the end of the fiscal year.

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

The Adviser provides investment advisory services on a discretionary basis to the Funds. Prior to assuming full discretion in managing a Fund’s assets, the Adviser enters into an investment management agreement or other agreement that sets forth the scope of the Adviser’s discretion.

The Adviser has the authority to determine (i) the securities to be purchased and sold for the Fund (subject to restrictions on its activities set forth in the applicable investment management agreement and any written investment guidelines) and (ii) the amount of securities to be purchased or sold for the Fund. Because of the differences in investment objectives and strategies, risk tolerances, tax status and other criteria, there may be differences among the Funds in invested positions and securities held. The Adviser’s portfolio manager submits an allocation statement to the Adviser’s trading desk describing the allocation of securities to (or from) Fund accounts for each trade/order submitted. The portfolio managers may consider the following factors, among others, in allocating securities among Funds: (i) investment objectives and strategies; (ii) risk profiles; (iii) tax status of the Fund; (iv) size of the Fund; (v) nature and liquidity of the security to be allocated; (vi) size of available position; (vii) current market conditions; and (viii) account liquidity, account requirements for liquidity and timing of cash flows. Although it is the Adviser’s policy to allocate investment opportunities to eligible Funds on a pro rata basis (based on the value of the assets of each participating Fund relative to value of the assets of all participating Fund), these factors may lead the Adviser to allocate securities to Funds in varying amounts. Even Funds 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 Fund eligible to invest in the particular investment type (e.g., equities) divided by the total assets of all Funds eligible to invest in the particular investment.

Allocations will be made among Funds eligible to participate in new issues and secondary offerings on a pro rata basis, except when the Adviser determines in its discretion that a pro rata allocation is not appropriate, which may include an Investor’s inability to participate in new issues or secondary offerings and an Investor’s status as a “restricted person” or “covered investor” under applicable regulations.

The Adviser may effect cross transactions between the Funds, except as otherwise noted below. Cross transactions enable the Adviser to effect a trade between two Funds for the same security at a set price, thereby possibly avoiding an unfavorable price movement that may be created through entrance into the market and saving commission costs for both accounts. Cross transactions include rebalancing transactions that are undertaken so that, after withdrawals/redemptions or contributions/subscriptions have occurred, the portfolio compositions of similarly managed Funds remain substantially similar. The Adviser has a potentially conflicting division of loyalties and responsibilities regarding both parties to cross transactions. Cross transactions between Funds are not permitted if they would constitute principal trades or trades for which the Adviser or its affiliates are compensated as a broker unless Investor

consent has been obtained based upon written disclosure to the Investors of the capacity in which the Adviser or its affiliates will act. In addition, cross transactions are not permitted for benefit plan or other similar accounts that are subject to ERISA.

If it appears that a trade error has occurred, the Adviser will review the relevant facts and circumstances to determine an appropriate course of action. To the extent that trade errors and breaches of investment guidelines and restrictions occur, the Adviser's error correction procedure is to ensure that Funds are treated fairly and, following error correction, are in the same position they would have been if the error had not occurred. The Adviser has discretion to resolve a particular error in any appropriate manner that is consistent with the above stated policy. In the event that a Fund incurs a trade error as a result of the Adviser's gross negligence, willful misconduct, fraud or violation of applicable laws, trade errors will be corrected by the Adviser as soon as practicable, in a manner such that the Fund incurs no loss. Trade errors that result other than by breach of the standard of care above are borne by the Funds.

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

To the extent the Adviser has been delegated proxy voting authority on behalf of the Funds, the Adviser complies with its proxy voting policies and procedures that are designed to ensure that in cases where the Adviser votes proxies with respect to the Funds' securities, such proxies are voted in the best interests of the Funds. If a material conflict of interest between the Adviser and a Fund exists, the Adviser will determine whether voting in accordance with the guidelines set forth in the proxy voting policies and procedures is in the best interests of the Fund or take some other appropriate action. The Adviser does not make any qualitative judgment regarding the Funds' investments.

Investors may obtain a copy of the Adviser's proxy voting policies and procedures and information about how the Adviser voted a Fund's proxies by contacting David Hough, Chief Financial Officer/Chief Compliance Officer by email at [dhough@freshfordcapital.com](mailto:dhough@freshfordcapital.com) or by telephone at (914) 949-3910.

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

This Item is not applicable.

**Appendix: Item 2. Material Changes**

The following summary only discloses material changes made to the brochure since the Adviser's previous brochure, which was filed in March 2016: The Adviser has made changes to this brochure to reflect general updates.