

PART 2A OF FORM ADV

FIRM BROCHURE



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This brochure provides information about the qualifications and business practices of Little Harbor Advisors, LLC ("LHA"). If you have any questions about the contents of this brochure, please contact us at the telephone number listed above. 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. References in this brochure to LHA as a "registered investment adviser" are not intended to imply a certain level of skill or training.

Additional information about Little Harbor Advisors, LLC is also available on the SEC's website at www.adviserinfo.sec.gov

ITEM 2-MATERIAL CHANGES

As part of the requirement to file an annual Form ADV amendment, LHA is updating its Firm Brochure as of March 2017. The changes made to LHA's Firm Brochure are intended to reflect the current provisions found in the Confidential Placement Memorandum for LHA Market State Fund I, L.P. and to reference LHA's intent to offer investment advisory services to other private collective investment funds.

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ITEM 4

ADVISORY BUSINESS.

Little Harbor Advisors, LLC (“LHA”) was founded in January of 2012 and filed with the SEC to be a registered investment advisor in August of 2013. LHA provides discretionary investment advisory services to a private collective investment fund, LHA Market State Fund I, L.P. (“MSF”), and, in the future, will provide discretionary investment advisory services to other private collective investment funds. The focus of LHA’s investment advisory services is to implement each fund’s investment strategy, manage and allocate fund assets, and to monitor and oversee a fund’s investment return and exposure. LHA does not tailor its advisory services to individual investors, and does not accept investor-imposed investment restrictions. As of March 31, 2017, LHA manages client assets in the MSF of approximately \$3,300,000 on a discretionary basis.

LHA Market State Fund I, L.P. (the MSF):

The MSF is a Delaware limited partnership. The MSF’s investment objective is to seek to provide investment results that exceed the total return (i.e., the combination of capital changes and income) performance of the S&P 500® Index, net of all of the MSF’s fees and expenses. The MSF’s investment strategy is, under normal circumstances, to (a) invest a majority of its assets i) in a separately managed account that holds materially the same securities as included in the CEMP US Large Cap 500 Volatility Weighted Index (the “CEMP Index”), which is managed by Victory Capital Management Inc., or one of its affiliates, ii) at the discretion of LHA, to invest in shares of VictoryShares US 500 Volatility Wdt ETF (the “CFA-ETF”), and/or (iii) at the discretion of LHA, to invest in financial instruments other than the CFA-ETF which track the S&P 500® Index by holding a portfolio of the constituent securities of that index based upon a rules-based methodology or other fundamental criteria (the “S&P Financial Instruments”), and (b) to invest the remaining percentage of the MSF’s assets as the margin portion of S&P 500® Index futures contracts. LHA sets daily exposure limits for the MSF to the S&P 500® Index, and the daily exposure limit will be achieved by, among other things, investing in the S&P 500® Index futures contracts and in S&P Financial Instruments. A more detailed explanation of the MSF’s investment strategy is found in the MSF Confidential Placement Memorandum (the “Confidential Placement Memorandum”).

TAI Equity Holdings, LLC is the managing member of LHA, and its managing member is LHA’s President, John Hassett. The principal owner of TAI Equity Holdings, LLC is also John Hassett.

ITEM 5

FEES AND COMPENSATION.

LHA is paid a fulcrum fee by the MSF for its investment advisory services, which consists of two parts – a Base Fee and a Performance Fee Adjustment. The Base Fee is a monthly fee paid to LHA, based upon the net asset value of the MSF. The Base Fee is compensation for, among other things, LHA’s portfolio management, advice, and recommendations on securities and other financial

instruments to be purchased, held or sold. The Base Fee is adjusted up or down by a Performance Fee Adjustment, which is derived by comparing the net performance of the MSF versus that of the MSF's benchmark (over a twelve-month period) in accordance with pre-determined rates of adjustment. The MSF's benchmark is the S&P 500® Index. It should be noted that detailed disclosure about the fulcrum fee and other expenses applicable to an investment in the MSF is provided in the Confidential Placement Memorandum, and for any other fund, a detailed disclosure about fees and expenses is provided in the fund's offering documentation, including any supplements, provided to each investor and prospective investor. Such documents should be carefully reviewed prior to making an investment in any particular fund. Set forth below is a summary of the fulcrum fee payable by an investor in the MSF.

The MSF:

The MSF compensates LHA through a fulcrum fee, computed and payable monthly, in arrears. The monthly Base Fee is 0.80% on the net asset value of the MSF. The Performance Fee Adjustment to the Base Fee will be one hundred percent (100%) of the out-performance or under-performance of the MSF compared to its benchmark, subject to (i) a maximum adjustment to the Base Fee, up or down, of 0.35% and (ii) a null zone of plus or minus 1.15% where no performance adjustment is made. The fulcrum fee, as adjusted, will range from an aggregate of 0.45% to 1.15% of the net asset value of the MSF. This fee is calculated and deducted from the assets of the MSF by an independent third-party administrator hired by LHA. Investors in the MSF are charged their pro-rata share of the fulcrum fee, paid by the MSF. Fees generally are non-negotiable, except in the case of certain advisory clients.

Additional Fees and Expenses:

LHA's fulcrum fee is not inclusive of all of the fees and expenses charged to the MSF. The following is a list of fees and/or expenses that MSF may pay to third parties. This list is not intended to be exhaustive, the MSF Confidential Placement Memorandum provides further detail relating to fees and expenses.

- Administrative, Transfer Agent and Custodial fees
- Organization, Offering, Audit, Accounting and Legal fees
- Brokerage commissions and transaction fees
- Fee related to use of CEMP Index
- Marketing fees and sales charges

ITEM 6

PERFORMANCE-BASED FEES.

The MSF pays a fulcrum fee to LHA, as disclosed above in **Item 5 – Fees and Compensation**. The fulcrum fee consists of two parts – a Base Fee and a Performance Fee Adjustment. The Base Fee is adjusted up or down by the Performance Fee Adjustment, which is derived by comparing the net

performance of the MSF versus the performance of the MSF's benchmark, over a twelve-month period, in accordance with pre-determined rates of adjustment. The parameters of the adjustments that can be made to the Base Fee, and the total range of the fulcrum fee is as set forth above in **Item 5 – Fees and Compensation**. Investors in the MSF are allocated their pro rata share of the fulcrum fee. The fulcrum fee, including the Base Fee and the Performance Fee Adjustment are more thoroughly described in the MSF Confidential Placement Memorandum.

Please note that the existence of a Performance Fee Adjustment as a component of the fulcrum fee may incentivize LHA to manage the MSF's assets in a more aggressive manner than if there was no Performance Fee Adjustment.

ITEM 7

TYPES OF CLIENTS.

As described in **Item 4- Advisory Business**, LHA offers investment advisory services to private collective investment funds. The minimum investment requirement for the MSF is \$50,000, and this requirement is subject to waiver by LHA, in its sole discretion. In the future, LHA intends to provide investment advisory services to other private collective investment funds and these funds may have minimum investment requirements that vary.

Interests in the MSF are being offered in a private placement pursuant to Section 4(2) of the Securities Act, and Regulation D promulgated thereunder. MSF is currently offering one class of interests, Class I. The general partner of the MSF may, in its sole discretion, offer additional classes of interests in MSF, subject to different fees and expenses. In order to be eligible to invest in the MSF, an investor must be an "accredited investor," as such term is defined in Rule 501 of Regulation D or a "qualified eligible person," as such term is defined in Rule 4.7 under the Commodity Exchange Act, as well as meet certain other conditions. Among other things, investors (or their representatives) must be sophisticated in financial and business matters generally and in investing securities before subscribing for an interest in the MSF. The general partner of the MSF reserves the right to refuse any subscription for any reason.

ITEM 8

METHODS OF ANALYSIS.

As stated in **Item 4- Advisory Business** above, LHA seeks to invest a majority of the MSF assets in a separately managed account that holds materially the same securities as included in the CEMP Index, in shares of CFA-ETF, and/or, at the discretion of LHA, in financial instruments which track the S&P 500® Index (other than the CFA-ETF). LHA seeks to invest the remaining assets of the MSF as the margin portion of S&P 500® Index futures contracts.

Generally, LHA carries out its advisory responsibilities for the MSF by allocating its assets to approximately match the CEMP Index composition and

weighting. However, LHA may cause the MSF's weighting of a particular stock or other financial instrument to be more or less than the CEMP Index's weighting of a stock. At the discretion of LHA, it may cause the MSF to invest in the CFA-EFT to obtain the desired exposure to the securities included in the CEMP Index.

The remaining assets of the MSF (in the percentage set forth in the Confidential Placement Memorandum) will be used for margin to invest in futures contracts to increase or decrease MSF's exposure to the S&P 500® Index. The exposure to the S&P 500® Index will be adjusted by LHA on a daily basis using a quantitative program that seeks to predict the direction of price movements of the S&P 500® Index by applying statistical methodologies.

All securities investments risk the loss of capital. No assurance can be given that the investment objective of the MSF will be met, or that the MSF investment strategy will be profitable. LHA utilizes a quantitative program to implement a portion of the MSF's investment strategy. The value of securities selected by using quantitative analysis can react differently to issuer, political, market, and economic developments than the market as whole or securities selected using only fundamental analysis. LHA's use of derivative instruments in regard to the MSF's investment strategy involves risks different from, and possibly greater than, the risks associated with investing directly in securities and other traditional investments. The use of derivatives could reduce the MSF's performance, increase its volatility, and could cause the MSF to lose more than the initial amount invested. In addition, investments in derivatives involve leverage, which means a small percentage of assets invested in derivatives can have a disproportionately large impact on the MSF. For a detailed description of the risks involved in the MSF's investment strategy, please see the Confidential Placement Memorandum which contains a review of the risks associated with the MSF.

ITEM 9

DISCIPLINARY INFORMATION.

LHA does not have any material legal or disciplinary item to disclose related to LHA's business or its management. LHA is obligated to disclose any disciplinary event that would be material to a potential investor when evaluating a client relationship.

ITEM 10

OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS.

LHA is not registered as a broker-dealer and does not have an application outstanding to register as a broker-dealer.

A member of LHA has an affiliation with another investment management company, but despite any such affiliation LHA conducts its operations and its investment advisory services completely independent of that entity. The

President of LHA, John Hassett, is also the Manager of that entity. However, other than the time that Mr. Hassett allocates to the operations of that entity, LHA does not believe there are any potential conflicts of interests between the companies. The two companies pursue different investment objectives and strategies, and the other entity is not making any new investments.

LHA is currently registered as a commodity pool operator (“CPO”) for a global trading private collective investment fund, however that fund has no invested capital, no assets under management, and no investors.

LHA does not receive compensation, directly or indirectly, from other investment advisers. LHA is compensated by MSF, and, in the future, will be compensated by additional collective investment vehicles managed by LHA.

ITEM 11

CODE OF ETHICS.

LHA has adopted a Code of Ethics pursuant to the requirements of the Advisers Act. Pursuant to LHA’s Code of Ethics, firm personnel are subject to general ethical conduct and fiduciary requirements, as well as to monitoring of their personal trading activities involving securities.

The Code of Ethics applies to LHA’s access persons and sets forth a standard of business conduct that takes into account LHA’s status as a fiduciary and requires access persons to place the interests of advisory clients and investors above their own interests. The Code of Ethics requires access persons to comply with applicable federal securities laws. Further, access persons are required to promptly bring violations of the Code of Ethics to the attention of LHA’s Chief Compliance Officer. All access persons are provided with a copy of the Code of Ethics and are required to acknowledge its receipt on at least an annual basis.

The Code of Ethics also sets forth certain reporting and pre-clearance requirements with respect to personal trading by access persons. LHA’s access persons must provide the Chief Compliance Officer with a list of their personal accounts and an initial holdings report upon employment. In addition, LHA’s access persons must provide annual holdings reports and quarterly transaction reports in accordance with the Advisers Act. In addition, the Code of Ethics ensures the protection of nonpublic information about the activities of the advisory clients.

Investors or prospective investors may obtain a copy of LHA’s Code of Ethics by contacting the Chief Compliance Officer at (781) 639-3000.

ITEM 12

BROKERAGE PRACTICES.

Other than the use of Interactive Brokers, LLC as the futures commission merchant to execute, clear and carry futures transactions for a limited

percentage of MSF assets, LHA is not involved in selecting or recommending broker-dealers for advisory client transactions and determining the reasonableness of broker-dealer compensation (e.g., commissions). LHA does not receive research or other products or services from broker-dealers or third parties in connection with advisory client transactions ("soft dollar benefits"). It is expected that collective investment vehicles and separately managed accounts utilized by LHA will allocate brokerage business generally on the basis of best available execution and may consider a broker's provision of brokerage, research and related services (but no absolute assurances can be made in that respect).

ITEM 13

REVIEW OF ACCOUNTS.

LHA is responsible for the implementation of, and portfolio analysis related to, MSF's investment strategy. LHA also is responsible for establishing, monitoring, adjusting, and re-balancing the allocations of MSF's assets. LHA periodically monitors and analyzes the MSF investment returns and exposures as well.

Investors in the MSF receive monthly unaudited capital account statements generated by MSF's administrator.

No risk-management and review process is fail-safe, and no assurance can be given that LHA's risk management and review process will achieve its objective. From time to time, LHA may modify or change its risk management and/or review process.

Investors in the MSF will receive audited annual fund financial statements. For tax reporting, LHA will cause MSF's administrator to provide each investor with the requisite tax reporting forms.

ITEM 14

CLIENT REFERRALS.

LHA and its related persons may compensate third-parties who are not supervised persons for investor referrals.

The general partner of the MSF may sell interests in the fund through broker-dealers, placement agents, and other persons and pay a marketing fee or commission in connection with such activities. The general partner also or alternatively may deduct a percentage of the amount invested by an investor in the MSF to pay sales fees or charges, on a fully disclosed basis, to a broker-dealer, placement agent or other person based upon the amount of an investor's contribution introduced to the general partner by such broker-dealer, placement agent or other person. Any such sales fees or charges would be assessed against the referred investor and would reduce the amount actually invested by such investor in the MSF. The fees and charges to each

investor may vary, depending on the amount invested and other factors.

In some instances, LHA may pay broker/dealers or an independent third-party a portion of the fees paid to LHA or other compensation. Such compensation is paid in a manner intended to comply with Rule 206(4)-3 of the Advisers Act, which regulates the payment of solicitation fees by registered investment advisers, as well as applicable regulations under the Securities Exchange Act of 1934, as amended. If LHA pays a broker/dealer or an independent third-party a portion of the fees paid to it or pays other compensation, when advising potential investors in the MSF or another fund these parties may have a conflict between their interest in advising a potential investor to invest in the MSF or the other fund and their interest in receiving or continuing to service the MSF or the other fund and receiving such compensation.

ITEM 15

CUSTODY.

LHA does not have actual custody of any investor account or any of an investor's funds or securities.

LHA maintains the cash assets of the MSF and other funds in custodial accounts with a "qualified custodian" pursuant to Rule 206(4)-2 under the Advisers Act. LHA notifies, or instructs the custodian to notify, investors in writing of the qualified custodian's name, address and the manner in which the assets are maintained promptly when an investor's account is opened and following any changes to this information.

LHA reasonably believes that it will provide MSF investors with audited financial statements for the fund within 180 days of the end of the applicable entities fiscal year.

ITEM 16

INVESTMENT DISCRETION.

The accounts that LHA manages are discretionary accounts. LHA provides discretionary investment advisory services to the MSF and, in the future, to other private collective investment funds. The manager, general partner or other applicable management person (or people) of any private fund, authorize(s) LHA to allocate a fund's assets among different securities, financial instruments and/or investment vehicles. The investments of a particular fund are managed in accordance with the investment objectives, strategies and guidelines set forth in the offering documents of the particular fund and are not tailored to any particular investor in such fund.

LHA does not provide individualized investment advice to investors. Investors in the funds do not have the ability to impose limitations on LHA's discretionary authority. Prospective investors are provided with an offering document prior to their investment and are encouraged to carefully review the offering document and to be sure that the proposed investment is consistent with their

investment goals and tolerance for risk. Prospective investors must also execute a subscription agreement, in which they make various representations, including representations regarding their suitability to invest in a high-risk investment pool.

ITEM 17

VOTING OF SECURITIES.

The funds to which LHA provides investment advisory services do not typically convey traditional voting rights to LHA. Additionally, a particular investment fund may waive its right to vote shares, and the occurrence of corporate governance or other notices for this type of investment are substantially less than that encountered in connection with directly holding a company's equity securities.

On occasion, however, LHA or a fund it advises may receive notices seeking consent in order to materially change certain rights or to change material terms of organizational or operating documents. To the extent that a fund receives notices or proxies, when LHA has been delegated proxy voting responsibilities, it will vote consistent with the fund's best economic interests. In general, LHA believes that voting proxies in accordance with a fund's best economic interests will be in the best interests of the particular fund.

At times, conflicts may arise between the interests of investors, on the one hand, and the interests of LHA or a particular fund, on the other. If LHA believes that a matter involves an actual or perceived conflict of interest, LHA will address matters involving such actual or perceived conflicts of interest on a case-by-case basis in a fair and equitable manner, subject to legal, regulatory and other applicable considerations, including in some instances utilizing a third-party proxy voting service to provide their assessment. In exercising its voting discretion, LHA will seek to avoid any direct or indirect conflict of interest presented by the voting decision.

ITEM 18

FINANCIAL INFORMATION.

LHA does not require or solicit prepayment of more than \$1,200 in fees per fund, six months or more in advance and therefore is not required to include a balance sheet with this brochure. LHA has no financial commitment that impairs its ability to meet contractual and fiduciary commitments to any funds it manages, and it has not been the subject of a bankruptcy proceeding.