

Part 2A of Form ADV: *Firm Brochure*

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This brochure provides information about the qualifications and business practices of Emergence LLC. If you have any questions about the contents of this brochure, please contact Justin Quinn at (314)-797-5040 or email him at Justin.Quinn@emergencefund.org

The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority.

Additional information about Emergence LLC is also available on the SEC's website at www.adviserinfo.sec.gov. You can search the SEC's site by a unique identifying number, known as a CRD number. Our firm's CRD number is 175399.

An investment adviser does not have to demonstrate or meet any minimum level of skill or training to register with the Securities Exchange Commission.

Item 2 Material Changes

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Item 8: The Method of Analysis section was substantially re-written to better describe our processes.

Item 13: Review of account was updated to disclose that certain investors in our commingled products which are not registered with the SEC and other products subject to other regulatory requirements (e.g. UCIT compliant funds) may receive additional reporting, and thus, may receive more information than other investors in the fund.

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Item 4 Advisory Business

A. General Description of the Firm

Emergence LLC (“Emergence”) principal place of business is located in Saint Louis, Missouri. Emergence has a sub-advisory relationship with Emergence LLC. Similarly, Emergence has and can avail itself of additional investment capabilities through select qualified broker / dealers.

B. Advisory Services

Emergence primarily offers investment advisory services regarding investment to individuals in privately placed pooled investment vehicles. Emergence provides discretionary investment management services to a variety of investment vehicles, some of which are and others which are not registered under the Investment Company of 1940, as amended, as well as institutional and ultra high net worth investors. Emergence manages investment vehicles according to the applicable organizational documents and offering memorandum, and negotiated investment management agreements.

Additionally, Emergence provides advisory services to individuals, affiliated entities, institutional entities, intermediary firms and ultra high net worth investors. These relationships are governed according to negotiated advisory agreements. These agreements are based upon advisory clients' objectives determined following discussions with each advisory clients or their representatives. These discussions ordinarily include, among other things, topics such as time horizon, risk tolerance and liquidity needs. Using this information, Emergence attempts to develop an investment profile and provide advice that it believes will achieve such objectives. Advisory clients may impose reasonable and agreed upon restrictions on certain investments.

Although Emergence primarily provides investment advice regarding investments in privately placed pooled investment vehicles, investment advice is not limited to any specific product or security type and may include, but is not limited to, advice regarding the following securities: exchange-listed securities, securities traded over-the-counter, foreign issuers, warrants, corporate debt securities, commercial paper, certificates of deposit, municipal securities, United States governmental securities, options contracts on securities, options contracts on commodities, futures contracts on tangibles, futures contracts on intangibles, and interests in partnerships investing in real estate, interests in partnerships investing in oil and gas interests.

C. Client Assets

As of December 31, 2014 Emergence actively managed approximately \$355,000 of clients' assets on discretionary basis and \$0 of clients' assets on a non-discretionary basis.

Item 5 Fees and Compensation

As compensation for its advisory services, Emergence generally receives asset based fees equal to a percentage of the net assets advised. Generally these are determined monthly and are paid monthly or quarterly in arrears. In some cases, Emergence receives a fixed fee for advisory services. These fees are

negotiated on a client by client basis and based in part on the size and scope of the advisory relationship.

Emergence may receive a performance based fee or allocation, based on a percentage of profits earned within the applicable determination period (typically over a month, quarter or year). Performance based fees generally are subject to a "high water mark" such that no fee is paid until prior investment losses are recouped. These performance based fees can be negotiated on a client by client basis. Any performance based fees or allocations are structured in compliance with the Investment Advisers Act of 1940.

In addition to management and performance fees, Emergence's clients will also bear investment-related expenses (*e.g.*, placement fees, interest on indebtedness, custodial fees, bank service fees, bank charges, other expenses related to the purchase, sale or transmittal of fund investments, professional fees (including, without limitation, expenses of consultants and experts) relating to investments); organizational expenses; legal, accounting, audit and tax preparation expenses; corporate licensing fees; the management fees and the performance fees charged by underlying investment vehicles; Board of Directors' liability insurance premiums; Board of Directors' fees and expenses, including travel, organizational expenses; entity-level taxes, and expenses incurred in connection with the offer and sale of shares of the Fund. This is not an exhaustive list and further information will be found in the applicable offering memorandum or client agreement.

Asset based management fees, fixed fees, performance based fees and applicable expenses/costs will be disclosed in more detail in a given fund's confidential offering documents or agreement with a client; however, these fees and allocations may be reduced, waived or calculated differently with respect to certain clients and investors in the funds. As a general matter, fees payable to Emergence will be deducted directly from the funds at a frequency disclosed in the applicable offering memorandum; however, there are cases where Emergence bills a client separately.

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

Clients should be aware that performance-based fee arrangement may create an incentive to recommend investments which may be riskier or more speculative than those which would be recommended under a different fee arrangement. In addition, since the performance compensation will be calculated on a basis that includes unrealized appreciation of a fund's net asset value, such compensation may be greater than if it were based solely on realized gains.

As disclosed in Item 5 above, some clients of Emergence are not charged performance-based fees. Accordingly, there may be an incentive to favor clients that pay performance fees over those that do not because the compensation earned by Emergence is more directly tied to the performance of incentive fee paying funds/accounts, which will vary by product and relationship. Accordingly, conflicts of interest can arise when managing funds that charge different levels of fees. Emergence seeks to resolve these potential conflicts of interest by implementing appropriate processes. Specifically, prior to implementing performance based fee arrangements, these arrangements will be reviewed by our firm to assess whether the proposed fee arrangement would unfairly disadvantage any of our clients. Additionally, Emergence has a trade allocation policy, monitored by compliance, which seeks to allocate, to the extent possible, investment opportunities over a period of time on a fair and equitable basis to all funds. Furthermore, certain funds are subject to legal/regulatory restrictions that other funds are not and this may have an impact on the manner in which some securities are allocated.

Item 7 Types of Clients

Emergence provides services to the following types of clients:

- Individuals and High net worth individuals;
- Investment companies;
- Pension and profit sharing plans (other than plan participants);
- Other pooled investment vehicles (e.g., hedge funds);
- Corporations or other businesses not listed above; and
- State or municipal government entities.

Typically, Emergence requires a client to fund a separate account with at least \$100,000; however, this number is negotiable based on desired service and overall relationship with Emergence and/or one of its affiliates.

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

Method of Analysis

The Emergence investment philosophy is based on the belief that markets often have inefficiencies and dislocations, which are variable and migrate across asset classes. We believe skilled managers with the proper trading, risk management and hedging techniques are in a position to potentially capture these effects in the form of alpha.

Due to the complexity, heterogeneity and dynamic nature of hedge fund businesses and their underlying strategies, investing in this arena is far from a passive endeavor. Market dislocations frequently result in heightened correlations and degraded liquidity across hedge fund strategies, often exacerbating investment risk. Investing successfully under such conditions requires the means and expertise to actively monitor and manage investments over time against the backdrop of ever changing capital markets. Given these industry attributes we feel it is critical to have sufficient scale to effectively execute across the full range of the investment process: early identification of managers; initial and ongoing investment and operational due diligence; capital markets and hedge fund strategy research; portfolio construction and ongoing monitoring; investment risk management; structuring and terms negotiation; fund accounting and operations; legal and compliance; development and maintenance of proprietary information technology; and client servicing and reporting.

Further, we believe our scale and structuring capabilities, along with our active investment style, combine to afford us the ability to take advantage of real-time opportunities by building vehicles tailored to the needs of our investors and clients.

The requisite scale also serves to support our decision making process which is primarily qualitative. Quantitative analysis is a foundation from which certain aspects of a manager's program can then be evaluated in a more qualitative context. Though quantitative analysis is a critical and necessary step in evaluation and monitoring processes, we believe many investors overly rely on statistical analysis of past performance, largely because it is relatively more objective, straightforward, and as such easier to evaluate and agree upon. It is also by nature backward looking, and given the liquidity profile of hedge funds, we believe a more forward-looking opportunity set metric is advantageous when evaluating and

monitoring investments. The qualitative portion of manager analysis by contrast requires more time, such as conducting face-to-face meetings, and having a regular dialogue by email and phone. It also requires more resources, such as experienced investment personnel and specialized proprietary information technology.

As such, we believe it is important that investment professionals have a high degree of experiential knowledge spanning both risk-taking and trading experience, as well as in evaluating and allocating capital to hedge funds. We believe this real world experience meaningfully enhances one's understanding of the markets and hedge fund strategies, in addition to manager due diligence and monitoring. This experiential knowledge in turn supports what is both a bottom up and top down investment approach with respect to building portfolios.

From a top-down perspective, our goal is to build robust portfolios seeking to (1) preserve capital and (2) generating positive risk adjusted returns across varying capital market environments and macroeconomic regimes. In order to do so, we believe it is essential to have a deep understanding of the drivers of risk and return, as well as a command of the broader capital markets. Understanding a strategy's source of alpha (be it idiosyncratic, carry/yield, liquidity driven and/or directional in nature) as well as the causal factors behind how various strategies perform and correlate to each other and to the markets in varying economic environments, is key to constructing robust fund portfolios.

From a bottom-up perspective, the manager selection process is forward-looking, and an emphasis is placed on the qualitative attributes of successful managers rather than simply on their historical track records. A combination of onsite and offsite due diligence is conducted to ascertain a manager's investment acumen under varying market conditions as well as the manager's ability to run an investment operation as a business. The due diligence is designed to evaluate the manager's investment methodology and execution, portfolio management and risk control, and operations and infrastructure. The goal is to identify the differentiating factors that give the manager a sustainable investment edge in generating superior risk-adjusted returns over time.

The identification of risk and return drivers also leads to establishing differentiating factors for comparing managers within a strategy. Certain aspects of these drivers will have more influence than others on the future performance of the manager. Some of these factors also may be conditional on a particular market factor or fund parameter, such as liquidity or asset level. Therefore, the differentiating factors must be considered in the proper context when evaluating a manager's edge.

The investment team is organized by skill set into global investment research groups or "Strategy Teams", Equity Hedged, Quantitative Equity, Relative Value / Multi-Strategy, FIRV / Agency MBS, Corporate Credit & Structured Products, Reinsurance, Global Macro / Systematic Trading, and Commodities. Each Strategy Team includes the Chief Investment Officer ("CIO"), Deputy-CIO, Senior Portfolio Managers ("Senior PMs"), Strategy Coordinators, and Investment Officers. Team members in each Strategy Team strive to provide concise forward-looking assessments of managers' risk and return profiles for their respective strategies. Formal Strategy Team meetings are held monthly, but informal interaction occurs continuously.

Our portfolios are managed by our Chief Investment Officer ("CIO"), Deputy-CIO and the Senior PMs, all of whom are members of the Investment Committee, with support from Strategy Teams. Within the Strategy Teams, primary coverage is by region (US, Europe and Asia), but secondary coverage is global. Because hedge funds in various regions of the globe are in different phases of development, we have our teams travel across regions in order to bring global perspectives to regional markets.

Investment Strategies

Emergence employs a number of investment strategies in connection with investment management services it provides to its clients. Emergence's clients should carefully read the relevant offering memorandum or client agreements for specific information applicable to that investment to ensure that the investment is appropriate considering, among other considerations, their own investment objectives, risk tolerance, and time horizons. When managing funds and account, Emergence will principally use one or more of the following strategies:

Equity Hedged

In general, managers classified as Equity Hedged use fundamental analysis to invest in publicly traded equities and seek to generate alpha through superior security selection. Through fundamental analysis, managers evaluate factors that may affect a security's value, such as macroeconomic trends, industry specific metrics, and other qualitative and quantitative factors. Equity Hedged managers may take both long and short positions to capture the perceived mispricing of a given security. Portfolio construction is generally driven primarily by bottom-up fundamental research, although top-down analysis may also be applied. The sub-strategies that comprise Equity Hedged include Fundamental, Event Equity, and Opportunistic Trading.

Credit/Income

Within Credit/Income, corporate and structured credit-oriented managers generally utilize credit analysis to evaluate potential investments, use debt or debt-linked instruments to execute their investment theses, or seek to create carry-oriented return streams in other asset classes that behave similarly to income-generating debt instruments (e.g. reinsurance). Managers' approach can be either fundamental, quantitative, or a combination of both. A common thread for corporate and structured Credit managers is the application of in-depth fundamental credit, capital structure, and event analysis to individual credit opportunities. Along with that, a successful manager must remain more cognizant than ever of the potential impact from macro shocks and the technical environment when constructing a portfolio. A similar set of skills, supplemented by deep fundamental analysis of weather patterns and probability analysis is applicable for reinsurance managers. The five sub-strategies that currently comprise Credit/Income include Distressed, Corporate Long/Short, Structured Products, Reinsurance, and Other.

Relative Value

Relative Value strategies are generally non-fundamental and non-directional, and are often quantitatively-driven. Managers in this strategy typically use arbitrage to exploit mispricings and other opportunities in various asset classes, geographies, and time horizons. Managers frequently focus on capturing the spread between two assets, while seeking to maintain neutrality to other factors, for example to geography, changes in interest rates, equity market movement, and currencies. The sub-strategies that comprise Relative Value include Statistical Arbitrage, Merger Arbitrage, Capital Structure/Volatility Arbitrage (Cap Structure/Vol Arb), Fixed Income Relative Value (FIRV), and Agency Mortgages.

Trading

Trading strategies are generally more top-down in nature and are often driven by views derived from monetary policy, fiscal dynamics, and macroeconomic research. These strategies typically utilize financial instruments, such as foreign exchange, equities, interest rates, sovereign debt, currencies, and commodities to express a manager's view. In executing different approaches, managers may use either fundamental or quantitative models or a combination of both. The sub-strategies that comprise Trading include Global Macro, Systematic, and Commodities.

Other/Niche

Finally, as the industry evolves and matures, Emergence expects fund managers to continue to seek new and creative ways to express investment ideas and attempt to generate absolute returns outside the existing categories. Within the industry, there are many names for these types of investment strategies, including 'niche', or even 'alternative alternatives'. This category is also used to capture exposure to non-hedge fund strategies that occasionally creep into hedge fund portfolios, such as private equity, real estate, and infrastructure.

The description set forth in this Brochure of services offered as well as strategies or securities used by Emergence on behalf of its clients should not be understood to limit or constrain Emergence's investment activities. Emergence remains free to offer any advisory services, engage in any investment strategy and make any investment, including anything not described in this Brochure, that Emergence considers appropriate, subject to Emergence's clients objectives and guidelines. The investment strategies Emergence pursues are speculative and entail substantial risk. There can be no assurance that any of Emergence's clients will achieve their investment objectives; therefore, such activities could result in a substantial loss of capital.

Material Risks

All investments carry a certain amount of risk and a client may lose money by investing funds or accounts managed by Emergence cannot guarantee that it will achieve its clients' investment objectives. Below is a summary of certain risks that may be associated with such an investment. This list of risk factors is not a complete enumeration or explanation of the risks involved in an investment. Clients should read this entire brochure as well as the prospectus or offering documents or account agreement governing their investment. Clients should also consult with their own legal, financial, and tax advisors before deciding whether to invest in a strategy.

- **Management risk:** Emergence's judgments about the fundamental value of securities or other factors showing the attractiveness of investments acquired for a portfolio may prove to be incorrect.
In addition; Emergence's judgments about asset allocations, exposure to foreign currencies and other macro-economic factors may prove to be incorrect.
- **Risk of loss:** Investing in securities involves risk of loss that clients should be prepared to bear. The investment decisions that Emergence makes for a client are subject to various market, currency, economic, political and business risks, and our investment decisions based on such factors will not always be profitable.
- **No guarantee of investment objectives:** Emergence does not guarantee or warranty that a client's account will achieve its investment objectives, performance expectations, risk and/or return targets.
- **No government guarantee:** An investment in an account or fund managed by Emergence is not a bank deposit and is not insured or guaranteed by the Federal Deposit Insurance Corporation or any other

government agency.

- **Personnel risk:** Emergence generally utilizes a team approach to managing investment portfolios. However, certain strategies may be dependent upon the expertise of certain key personnel, and any future unavailability of their services could have an adverse impact on the performance of clients invested in such strategies.
- **Diversification and liquidity risk:** Unless otherwise agreed upon by a client and Emergence we will not be responsible for the client's overall diversification, asset allocation or liquidity needs. In addition, certain strategies pursued by Emergence may be non-diversified and hold a low number of investments. An investment in a fund or account managed by Emergence may require significant written prior notice and at predetermined intervals throughout the year meaning such an investment may not be suitable for someone who needs immediate liquidity associated with an investment. Additionally, investments in a fund or account may be subject to gates and other redemption restrictions which may restrict liquidity.
- **Tax risk:** Clients should consult their tax advisors regarding the tax consequences of their investments. Emergence is not a tax advisor, although certain of its investment strategies may consider the potential tax implications of investment decision.
- **Risk of equity instruments:** For strategies investing in equity securities, there are various risks including, without limitation, the following:
 - The stock markets where a portfolio's investments are traded may shut down or otherwise become unavailable.
 - An adverse event, such as negative press reports about a company in the portfolio, may depress the value of the company's stock.
 - Small to mid-capitalization companies may have less diversified product or service offerings and less liquidity in the markets which increases their volatility.
- **Risk of fixed income investments:** For strategies investing in fixed income securities, there are various risks including, without limitation, the following:
 - Interest rate risk: If interest rates rise, the prices of fixed income securities in the portfolio may fall, and the longer the maturity of a fixed income security, the greater its sensitivity to changes in interest rates.
 - Credit risk: The issuer may default on its obligation to pay principal or interest, may have its credit rating downgraded by a rating organization or may be perceived by the market to be less creditworthy. Lower-rated bonds are more likely to be subject to an issuer's default than investment grade (higher-rated) bonds. Lower-rated bonds may have less liquidity and be more difficult to value in declining markets.
 - Prepayment risk: If interest rates decline, the issuer of a security may exercise its right to prepay principal earlier than scheduled, forcing the account to reinvest in lower yielding securities.
 - Extension risk: If interest rates rise, the average life of securities backed by debt obligations is extended because of slower than expected payments. This will lock in a below-market interest rate, increase the security's duration and reduce the value of the security.

- **Foreign country and emerging market risks:** For strategies investing in foreign countries and emerging markets, there are various risks including, without limitation, the following:
 - Vulnerability to economic downturns and instability due to undiversified economies; trade imbalances; inadequate infrastructure; heavy debt loads and dependence on foreign capital inflows; governmental corruption and mismanagement of the economy; and difficulty in mobilizing political support for economic reforms.
 - Adverse governmental actions, such as nationalization or expropriation of property; confiscatory taxation; currency devaluations, interventions and controls; asset transfer restrictions; restrictions on investments by non-citizens; arbitrary administration of laws and regulations; and unilateral repudiation of sovereign debt
 - Political and social instability, war and civil unrest.
 - Less liquid and efficient securities markets; higher transaction costs; settlement delays; lack of accurate publicly available information and uniform financial reporting and accounting standards; difficulty in pricing securities and monitoring corporate actions; and less effective governmental supervision.
 - Changes in foreign currency exchange rates and in exchange control regulations may adversely affect the value of securities denominated or traded in non-US currencies.

The risks described above are more severe for underlying funds investing in emerging markets than for non-US developed markets.

- **Asset-backed and mortgage-backed securities risks:** Certain strategies may invest in securitized debt, including asset-backed securities (ABS) and/or mortgage-backed securities (MBS). The investment characteristics of MBS and ABS may differ from traditional debt securities in that interest and principal payments are made more frequently, principal may be prepaid at any time and a number of state and federal laws govern and may limit right to the underlying collateral.
- **Derivatives risks:** The use of derivatives involves risks which are different from the risks associated with investing directly in securities. The primary risks of loss associated with derivatives are (i) market risk – the risk that the market value of the investment will decline; (ii) credit risk – the risk that the counterparty to the transaction will default on its obligations; (iii) liquidity risk – the risk that the instrument will not be readily marketable; and (iv) valuation risk – the risk that the instrument may have only one pricing source. Additionally, investments in derivatives include the risk that changes in the value of a derivative may not correlate with the underlying asset, rate, index, or market. Gains or losses involving some options, futures and other derivatives may be substantial. While some derivatives strategies can reduce the risk of loss, the use of derivatives can also reduce the opportunity for gain or result in losses by offsetting favorable price movements in other investments. Derivatives may create leverage and may pose the risk of losing more than the amount invested.
- **Leverage risk:** Derivatives that involve leverage can result in losses to the client's portfolio that exceeds the amount originally invested in the derivative instruments. Certain strategies may use derivatives or may borrow money and purchase investments in order to leverage or gear a client's portfolio. If a client's portfolio is levered and the investments decrease in value, the client's losses will be greater than if the client's portfolio was not leveraged. In addition, if the return on an investment purchased with borrowed funds is not sufficient to cover the cost of borrowing, then the net income of the client will be less than if borrowing were not used.

- **IPO risks:** The purchase of shares sold in initial public offerings (IPOs) may expose strategies to the risks associated with issuers that have no operating history as public companies, as well as potentially significant price fluctuations. Furthermore, there is no guarantee funds invested into by Emergence will be allocated IPOs in the future.
- **Short sales risk:** Short sales involve the risk that the client will incur a loss by subsequently buying a security at a higher price than the price at which the client previously sold the security short. This would occur if the securities lender required the client to deliver the securities the client had borrowed at the commencement of the short sale and the client was unable to either purchase the security at a favorable price or to borrow the security from another securities lender. If this occurs at a time when other short sellers of the sale security also want to close out their positions, a “short squeeze” can occur. A short squeeze occurs when demand is greater than supply for the security sold short. Because the loss on a short sale arises from increases in the value of the security sold short, such loss is theoretically unlimited.
- **Non-publicly traded securities, private placements and restricted securities:** Investing in unregistered or unlisted securities may involve a high degree of business and financial risk that can result in substantial losses, due to the absence of a public trading market for these securities and the absence of public disclosure and other investor protection requirements applicable if the securities were publicly traded.
- **Illiquid securities:** Certain strategies (e.g., multi-asset portfolios, private equity, real estate, infrastructure, etc.) may invest in illiquid assets, such as private equity, venture capital, real estate, infrastructure, etc. Exposure to an illiquid asset class will be made by purchasing interests in a privately offered pooled investment vehicle (“illiquid asset vehicle”). Investment in an illiquid asset vehicle poses similar risks as direct investments in illiquid securities. In addition, investment in an illiquid asset vehicle will be subject to the terms and conditions of the illiquid asset vehicle’s investment policy and governing documents which often include provisions that may involve investor lock-in periods, mandatory capital calls, redemption restrictions, infrequent valuation of assets, etc.
- **Investments in pooled investment funds:** To the extent a strategy invests in a pooled investment fund, there may be additional risks discussed in the fund’s offering documents or governing instruments which are not discussed in this brochure. Prior to investing an account in a fund, E&H will assess whether it believes the investment is consistent with the client’s investment guidelines as well as applicable law and regulation (e.g., Investment Company Act of 1940, ERISA, etc.). A client will generally bear, indirectly, fund investment expenses (e.g., brokerage commissions to execute portfolio trades, etc.) and operating costs (e.g., administration, custody, audit, etc.). When a client’s account invests into another fund, the client will normally bear, indirectly, fees paid by the fund to its investment manager.
- **Frequent trading:** Certain strategies may involve frequent trading of securities. Frequent trading can impact a portfolio’s investment performance due to increased brokerage and other transaction costs. For taxable clients, frequent trading may also result in short-term capital gains which are taxed at a higher rate than long-term capital gains.

Item 9 Disciplinary Information

Neither Emergence nor its management personnel have any reportable disciplinary events to disclose.

**Item 10 Other Financial Industry Activities and Affiliations
Futures or Commodity Registration**

Neither Emergence nor its employees are registered or has an application pending to register as a futures commission merchant, commodity pool operator, or a commodity trading advisor.

Among Emergence's direct and indirect affiliates and related persons are various broker-dealers, investment advisers and banking organizations. Emergence has and it anticipates it will continue to maintain arrangements with multiple built relationships that are material to its business. In addition, Emergence has service level agreements with its affiliates pursuant to which the affiliates provide certain services including, but not limited to: technology development services, technology production services, premises/corporate services, human resources services, financial control services, market risk services, legal services, compliance services, and equity trading support services.

Recommendations or Selections of Other Investment Advisors and Conflicts of Interest
Emergence may at times utilize the services of TPMs to manage client accounts. In such circumstances, Emergence will share in the Third Party asset management fee. This situation creates a conflict of interest. However, when referring clients to a TPM, the client's best interest will be the main determining factor of Emergence. These fees do not include brokerage fees that may be assessed by the custodial broker dealer. Fees for these services will be based on a percentage of assets under management not to exceed any limit imposed by any regulatory agency. The final fee schedule will be attached to Emergence Investment Advisory Agreement.

The transactions and portfolio strategies of Emergence and its affiliates used for other investment funds or accounts could conflict with the transactions and investment strategies employed by Emergence in managing our funds and adversely affect the prices and availability of the portfolio funds in which the funds may invest and/or the financial instruments in which the funds, portfolio funds or advisory clients invest or may seek to invest. Emergence and its affiliates are not under any obligation to share any investment opportunity, idea or strategy with the funds or advisory clients. As a result, other clients and Emergence's affiliates may compete for appropriate investment opportunities. Certain conflicts of interest may also arise from the fact that the investment banking and corporate finance activities of Emergence's affiliates may restrict the ability to purchase or sell certain financial instruments under applicable law, regulations or internal policies imposed by Emergence LLC. Emergence and its affiliates will not be obligated to divest their proprietary or other clients' positions or refrain from engaging in any transactions in order to permit clients to make any particular investment. Additionally, Emergence may manage investment funds that are predominantly owned or seeded by its affiliates, which may create an incentive for Emergence to allocate investment opportunities to such investment funds over other investment funds or clients it manages with similar investment objectives. Such other investment funds and other clients, together may own sufficient units to influence votes at the funds level, and the interests of such funds and other clients may differ from those of other members.

Emergence invests in portfolio funds for other clients which includes funds that are registered under the Investment Company Act. The Investment Company Act imposes certain investment limitations on a Registered Fund which may impact the funds and other clients when they want to invest in the same portfolio fund. The Investment Company Act prohibits affiliated transactions which would occur if a Registered Fund along with other clients of Emergence own (or are deemed to own) in aggregate 5% or more of the voting securities of a portfolio fund. Once this threshold is reached, such Registered Fund, the fund and other clients may have to waive voting rights in the portfolio fund so the Registered Fund can comply with the Investment Company Act. The Investment Company Act also limits the amount of total equity a Registered Fund along with other clients of Emergence may hold in a portfolio fund and therefore potentially limit the amount a Registered Fund, the funds and other clients invest in such portfolio fund. Prior to waiving any voting rights in a portfolio fund invested by the funds, other clients and a Registered Fund, Emergence will assess whether to waive voting rights to increase the size of the aggregate investments in such portfolio fund. To the extent voting rights are waived, the funds will not be able to vote on matters which at times may be adverse to the funds interests.

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

Our firm has adopted a Code of Ethics which sets forth high ethical standards of business conduct that we require of our affiliates, including compliance with applicable federal securities laws.

Emergence Fund & Holdings and associated personnel owe a duty of loyalty, fairness and good faith towards our clients, and have an obligation to adhere not only to the specific provisions of the Code of Ethics but to the general principles that guide the Code.

Our Code of Ethics includes policies and procedures for the review of initial and annual securities holdings reports that must be submitted by the firm's access persons. Among other things, our Code of

Ethics also requires the prior approval of certain acquisitions and sales of securities. Our code also provides for oversight, enforcement and recordkeeping provisions.

Emergence Fund & Holdings' Code of Ethics further includes the firm's policy prohibiting the use of material non-public information. All employees are reminded that such information may not be used in a personal or professional capacity.

A copy of our Code of Ethics is available to our advisory clients and prospective clients. You may request a copy by email sent to frank.pluchino@ubs.com, or by calling Frank Pluchino at 646-787-3597

The code of ethics has been designed to help mitigate risks due to actual or potential conflicts of interest to our clients. We have established these procedures to ensure our firm complies with its regulatory obligations and provides our clients and potential clients with full and fair disclosure of such conflicts of interest. A copy of the firm's Code of Ethics is available to clients upon request.

Employees of A&Q, subject to personal trading rules, may choose to personally invest, directly and indirectly, in certain, but not all, of the funds advised by A&Q. It is not expected that Employees will pay fees for investing in such products. If such investments are made, the size and nature of these investments will change over time. Employees are not required to keep any minimum investment in any of the funds managed by A&Q.

Item 12 Brokerage Practices

Factors Used to Select Broker-Dealers for Client Transactions:

Emergence may recommend the use of a particular broker-dealer such as Fidelity Investments or may utilize a broker-dealer of the client's choosing. Emergence will select appropriate brokers based on a number of factors including but not limited to their relatively low transaction fees and reporting ability. Emergence relies on its broker to provide its execution services at the best prices available. Lower fees for comparable services may be available from other sources. Clients pay for any and all custodial fees in addition to the advisory fee charged by Emergence.

- *Directed Brokerage*

In circumstances where a client directs ... to use a certain broker-dealer, Emergence still has a fiduciary duty to its clients. The following may apply with Directed Brokerage: Emergence's inability to negotiate commissions, to obtain volume discounts, there may be a disparity in commission charges among clients and conflicts of interest arising from brokerage firm referrals.

- *Best Execution*

Investment advisors who manage or supervise client portfolios on a discretionary basis have a fiduciary obligation of best execution. The determination of what may constitute best execution and price in the execution of a securities transaction by a broker involves a number of considerations and is subjective. Factors affecting brokerage selection include the overall direct net economic result to the portfolios, the efficiency with which the transaction is effected, the ability to effect the transaction where a large block is involved, the operational facilities of the broker-dealer, the value of an ongoing relationship with such broker and the financial strength and stability of the broker. The firm does not receive any portion of the trading fees.

- *Soft Dollar Arrangements*

The Securities and Exchange Commission defines soft dollar practices as arrangement under which products or services other than execution services are obtained by WF from or through a broker-dealer in exchange for directing client transactions to the broker-dealer. As permitted by Section 28(e) of the Securities Exchange Act of 1934, Emergence receives economic benefits as a result of commissions generated from securities transactions by the broker-dealer from the accounts of Emergence. These benefits include both proprietary research from the broker and other research written by third parties.

A conflict of interest exists when Emergence receives soft dollars. This conflict is mitigated by the fact that Emergence has a fiduciary responsibility to act in the best interest of its clients and the services received are beneficial to all clients.

Aggregating Securities Transactions for Client Accounts

Emergence is authorized in its discretion to aggregate purchases and sales and other transactions made for the account with purchases and sales and transactions in the same securities for other Clients of Emergence. All clients participating in the aggregated order shall receive an average share price with all other transaction costs shared on a pro-rated basis.

Although Emergence employees exercise due care in making and implementing investment decisions, Emergence may, from time to time, make errors with respect to trades made on behalf its funds.

Trade errors can occur in connections with (i) the placement of orders (either purchases or sales) in excess of or less than the intended amount, (ii) the sale/purchase of the a security where the intent was to purchase/sell, (iii) the purchase or sale of the wrong security, (iv) miscommunication among employees. The foregoing is not an exhaustive list.

As a general matter, if Emergence commits a trade error that results in a net loss for a fund, Emergence will credit an amount equal to the net loss to that fund as soon as reasonably practical considering all relevant facts, which may include internal approvals. To the extent a net loss is caused by the mistake of a third party (such as a broker or other service provider), Emergence will endeavor to recover such amounts from the responsible party.

Notwithstanding the foregoing, Emergence has full discretion to resolve a particular trade error in a manner other than specified above after a complete investigation and evaluation of the circumstances surrounding the event.

Item 13 Review of Accounts

The key investment decision makers are the Investment Committee members comprised of the Chief Investment Officer (“CIO”), Deputy Chief Investment Officer, Strategy Heads, and Senior Portfolio Managers (“SPMs”), all of which are voting members. The Investment Committee is responsible for making investment decisions on behalf of Emergence

all aspects of the investment process including strategy allocation and portfolio construction. All investment decisions are committee-based, whereby the decision-making process is an integral part of the Emergence investment process.

It is important to note that all of the Emergence products are monitored by three groups: the Investment Team, the Investment Risk Team, and the Operations team on a Quarterly basis to ensure that each specific client investment guideline and limits are being met.

Independent research is the foundation of our investment process. Our process and team structure is designed to efficiently harness the specialized skills of our investment team while maintaining a generalist approach to portfolio construction.

The investment review process begins with fundamental manager research conducted and discussed in great detail. Strategy Meetings are broken down into the following investment strategies: Macro, CTA & Commodities, Agency & Fixed Income Relative Value, Equity Hedged, Quantitative Equities, Corporate & Structured Credit, Relative Value & Multi-strategy. On annual basis, Emergence performs a strategy review at which point new strategies may be added or deleted. The Operation teams must review and approve all new managers prior to investing and also monitor existing managers on a periodic basis. In addition, Investment Risk Allocation meetings occur where portfolio review and asset allocation discussions take place to further assess the team's manager and strategy research within the context of individual portfolios. Next, the Manager Approval and Redemption Committee meeting provides a forum that evaluates recommendations on a "fund-by-fund" basis to discuss and approve all new funds. Occasionally, the Manager Approval and Redemption Committee may meet ad hoc or even be asked to vote on a fund electronically in the event of a time sensitive matter. Then, the Investment Committee meeting, which is the culmination of the investment cycle, provides the primary forum to review portfolio work performed by the investment team members in a group or individual setting. Finally, the Review Committee Meeting serves as a final control point relating to the approval of new managers, to review any pending open issues or risks, and to discuss any business topics relating to program management.

In terms of client servicing, Emergence's most frequent method of communication with clients is through our standard reports, direct email, phone conversations, in person meetings and updates via the E&H website. (Note: Certain investors in our commingled products which are not registered with the SEC and other products subject to other regulatory requirements may receive additional reporting, and thus, may receive more information than other investors in the fund. The decision to provide additional information is determined on a case by case basis). Below you will find a list of common reports.

Quarterly Fund Strategy Review and Outlook:

The Investment Committee produces this report on a quarterly basis as a review of each fund strategy's performance for the previous quarter as well as its outlook for the upcoming quarter.

Strategy and Exposure Report:

Strategy and exposure reports provide quantitative details, dissecting the portfolio into several components including strategy, geographic, sector and exposure levels.

Product Review: As it relates to product reviews, annual audits of the products' financial statements are completed each year by the Chief Compliance Officer and by request can be reviewed by a certified third party.

Item 14 Client Referrals and Other Compensation

Funds managed by Emergence may occasionally receive rebates from underlying funds in which they invest. Any rebate received will be placed into the affected client accounts. Emergence may therefore receive a benefit in the form of management fees charged to the funds on the resulting higher asset base. We may also receive a benefit on the incentive side because the expenses to the our fund are less, resulting in better net performance.

Emergence has a policy in regard to the compensation of solicitors for new business as well as pay distributors a portion of any fees designed to comport with the Advisers Act of 1940. Emergence may in limited circumstances compensate persons who introduce investors to investment funds managed by Emergence for a period of time which varies on a case-by-case basis.

Item 15 Custody

Emergence does not maintain physical custody of any client assets as all of our clients' assets are maintained by qualified custodians. The term custody, however, is broadly defined by the SEC, and Emergence's affiliates perform certain activities that may result in our deemed to have custody under SEC Rule 206(4)-2.

Item 16 Investment Discretion

In accounts where Emergence has investment discretion, Emergence will make investment related decisions without consulting the client, which decisions involve determinations regarding which securities are bought and sold for the account and the total amount of securities to be bought and sold. Emergence's discretionary authority in making investment related decisions may be limited by account guidelines, investment objectives and trading restrictions, as agreed between Emergence and the client.

Item 17 Voting Client Securities

The general policy is to vote proxy proposals, amendments, consents or resolutions relating to client securities, including interests in private investment funds, if any, (collectively, "proxies"), in a manner that serves the best interests of the clients managed by Emergence as determined by Emergence in its discretion, taking into account relevant factors, including, but not limited to:

- the impact on the value of securities;
- the anticipated costs and benefits associated with the proposal;
- the effect on liquidity;
- impact on redemption or withdrawal rights;
- the continued or increased availability of portfolio information; and
- customary industry and business practices.

At times conflicts may arise between the interests of the client, on the one hand, and the interests of Emergence or its affiliates, on the other hand. If Emergence determines that it has, or may be perceived to have, a conflict of interest when voting a proxy, Emergence will address matters involving such conflicts of interest as follows:

- if a proposal is addressed by the specific policies herein, Emergence will vote in accordance with such policies;
- if Emergence believes it is in the best interest of the client to depart from the specific policies provided for herein, Emergence will be subject to the requirements below, as applicable;
- if the proxy proposal is (1) not addressed by the specific policies or (2) requires a case-by-case determination by Emergence may vote such proxy as it determines to be in the best interest of the client, without taking any action as described below, provided that such vote would be against Emergence's own interest in the matter (i.e. against the perceived or actual conflict). Emergence will memorialize the rationale for voting in writing.

Emergence retains all proxy voting books and records for the requisite period of time, including a copy of each proxy statement received, a record of each vote cast, a copy of any document created by us that was material to making a decision how to vote proxies, and a copy of each written client request for information on how the adviser voted proxies.

Clients may obtain a copy of our complete proxy voting policies and procedures by contacting Justin Quinn by telephone, email, or in writing. Clients may request, in writing, information on how proxies for his/her shares were voted.

Item 18 Financial Information

Under no circumstances do we require or solicit payment of fees in excess of \$1000 per client more than six months in advance of services rendered. Therefore, we are not required to include a financial statement.

As an advisor we are required to disclose that Emergence has no financial condition that is reasonably likely to impair our ability to meet our contractual obligations. Emergence has not been the subject of a bankruptcy petition at any time during the past ten years.

Item 19: Requirements for State Registered Advisors

Education and business background, including any outside business activities for all management and supervised persons can be found in the Supplement to this Brochure (Part 2B of Form ADV Part 2).

Material Relationship Maintained by this Advisory Business or Management persons with Issuers of Securities

None to report