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Form ADV Part 2A – Brochure

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This brochure provides information about the qualifications and business practices of Efficient Capital Management, LLC (“Efficient”). If you have any questions about the contents of this brochure, please contact us at the following email address: compliance@efficient.com. 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.

Additional information about Efficient also is available on the SEC’s website at www.adviserinfo.sec.gov. Registration as an Investment Adviser with the SEC does not imply a certain level of skill or training.

ITEM 2. MATERIAL CHANGES

There are no material changes to disclose since the last Brochure was filed. Although not material, this Brochure has been updated in various respects to reflect our current business, operational and compliance practices since our previous Brochure as of September 8, 2017.

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ITEM 4. ADVISORY BUSINESS

Adviser

Efficient Capital Management, LLC (“Efficient”) works as a commodity trading advisor (“CTA”) specialist alongside investors to target specific portfolio goals, styles and strategies within managed futures portfolios which are managed by third-party CTAs. Efficient can tailor funds for investors by targeting volatility levels, restricting the trading of certain futures contracts or securities and accepting currencies other than U.S. Dollars. Efficient is willing to negotiate fees.

As of December 31, 2017, Efficient managed \$1,044,399,162 in aggregate securities “regulatory assets under management”, as such term is defined by the SEC, all of which represents the market value of its clients’ (“Clients”) discretionary cash management securities portfolios, as described in more detail below.

Efficient’s Clients are commodity pools managed by Efficient as the Commodity Pool Operator (“CPO”) or Investment Manager of the Client. Qualified investors may invest in the Clients. As of December 31, 2017, Efficient managed approximately \$2,668,200,000 in aggregate nominal assets under management for its Clients. “Nominal assets” refers to the amount of cash plus notional funds (i.e., trading level) to be utilized for trading in managed futures and other commodity interests pursuant to third-party CTAs’ trading programs, as agreed-upon between the Clients and the CTAs.

Founded in 1999 by its principal owner, Ernest L. Jaffarian, Efficient was built on many previous years of experience in the financial futures industry. After having worked at Chicago Research and Trading in a variety of roles, including as a market maker for listed options and at his own CTA, Sandpiper Trading, Mr. Jaffarian took a position in January 1997 at Hull Trading Company to develop and manage an off-site proprietary trading business that developed and expanded CTA allocation methodologies over the succeeding few years. As a result of an initial public offering being offered by Hull Trading Company, Mr. Jaffarian was given the opportunity to form a separate company.

Efficient officially launched as an independent company on May 1, 1999. As a separate legal entity, Efficient was free to manage outside assets. Efficient is organized as a Delaware limited liability company.

Jaffarian Management Company, LLC, an Illinois limited liability company, is the majority owner and the manager of Efficient Capital Holdings, LLC, an Illinois limited liability company and Efficient’s parent, and the manager of Efficient. Mr. Jaffarian is the managing member and majority owner of Jaffarian Management Company, LLC. Through this holding company structure, Mr. Jaffarian controls Efficient.

Over the next several years the business grew slowly, managing its own capital and some new outside managed accounts. A relationship with a large, well-known bank in Switzerland resulted in significant expansion of staff and assets under management, allowing Efficient to build an institutional-quality infrastructure, technology and staff, and established Efficient as one of the early global leaders in the CTA space. From 1999 until early 2004, all of Efficient’s portfolios were separately managed accounts.

In 2004, Efficient launched its master trading fund, Efficient Trading Limited (“ETL”), a Cayman Islands exempted company. The fund’s objective was to make the unique features of its large institutional managed account portfolios available to fund investors by providing access to a diversified multi-manager portfolio of CTAs, exclusively through managed accounts, with daily risk monitoring, back office operations and technology systems of institutional quality. This new fund structure allowed Efficient to begin offering different levels of volatility, fees and currency exposure. Beginning in early 2005 Efficient began to broaden its portfolio construction approach. A strategic decision was made to increase allocations to institutional-quality managers who were not highly correlated to classic trend following managers. This new approach required a commitment to adding Investment Team staff, to dramatically increasing on-site due diligence visits to managers and to knowing the universe of managers trading futures regardless of location and size. The result of these efforts was a unique, broadly diversified portfolio. Over the next few years, Efficient’s database of CTAs grew from 600 to well over 6,000 names, and the team began to average in excess of 150 on-site manager visits each year.

In 2014, Efficient launched customized portfolios as a new service for investors. In addition to its master trading fund, ETL, Efficient now has various single CTA/advisor and multiple CTA/advisor funds (each, a “Fund” and collectively, the “Funds”) and can provide customized portfolios through its Funds. The Funds may also collectively be referred to as the “Clients” hereinafter, and each, a “Client”. In offering such customization, investors in Clients can request that Funds be tailored to meet their needs which may include restricting certain instruments from trading or investing in securities other than those currently traded. Investors in Clients may also negotiate special terms other than those stated in the Private Placement Memorandum or Offering Memorandum of a Client (each, an “OM”) which may result in the creation of an OM supplement or side letter. Not all Efficient’s Clients permit customization. There are various levels of customization, all of which can differ by Client. As a result of such customization, Clients can be organized and offered into separate segregated portfolios or series, or separate classes of shares/interests, each with their own business and investment terms (including but not limited to, leverage/portfolio exposure, fees, notices and transparency of information, and liquidity). Each segregated portfolio/series or class of shares/interests of a Client generally will have a separate Letter from the Directors (in the case of an offshore Client) or Manager (in the case of a US Client), as applicable, further outlining the material investment terms of the portfolio/series or class, while the OM itself will contain general terms, conditions and disclosures. The Letter from the Directors or Manager will thus supplement, and be considered a part of, the Client’s OM. References in this Brochure to the term “OM” will be deemed to also include the applicable Letter from the Directors or Manager, if any.

Efficient’s role as the CPO for the Clients enables Efficient to select or terminate CTAs or other investment managers (each, an “Advisor” and collectively, the “Advisors”) to trade the Clients’ assets. Funds may include single-Advisor or multiple-Advisor Funds, selected by Efficient on a discretionary basis or recommended by Efficient on a non-discretionary basis, based on the specific investment objectives and strategies of the Client. To-date, all Advisor strategies have been managed futures strategies (focused on futures contracts, options on futures, foreign currency forward contracts and other commodity interests). However, in the future certain Clients could include non-futures strategies in whole or in part, including cash equity securities strategies or

other “hedge fund” strategies. The Clients will access each Advisor’s strategy via separately managed accounts held in the name of the Client directly, or indirectly through one or more Efficient-managed Clients that serve as master trading funds or subsidiary trading vehicles which will hold the managed accounts. Certain Clients may also access an Advisor’s strategy by investing in collective investment funds managed and sponsored by the Advisor, as opposed to Efficient.

Any excess cash which is not utilized for margin for trading or deposited in a separate bank account will be held in cash accounts which will be managed by an independent third party (the “Cash Manager”) held in the name of the Client. Given the leveraged nature of futures trading and managed futures investing, it is expected that such excess cash will comprise a significant portion of Client assets. The Cash Manager may invest, on a discretionary basis, all or part of the funds held in the cash account in a portfolio of short-term, liquid, interest-bearing investments, including but not limited to, U.S. Treasury securities, U.S. agency securities, money market funds and other permitted liquid investments, subject to standing investment guidelines and the current liquidity needs of the particular account which Efficient determines and communicates periodically to the Cash Manager. BMO Asset Management Corp., an SEC-registered investment adviser, is currently acting as the Cash Manager for the Clients. Efficient regularly reviews the Cash Manager’s activities for the accounts, and may cause a Client to engage a new Cash Manager or additional Cash Managers at any time in its discretion (unless otherwise agreed with the Client). Clients will pay the Cash Manager a fee equal to a percentage of the account’s cash assets under management.

Efficient is registered with the Commodity Futures Trading Commission (“CFTC”) as a CPO and a CTA and is a member of the National Futures Association (“NFA”) (NFA ID No. 293441). Such registrations and membership do not imply the CFTC or the NFA has endorsed Efficient’s qualifications to provide investment management services.

ITEM 5. FEES AND COMPENSATION

Given potential differences in each Client’s fee structure, a general summary of the primary types of fees that Efficient may charge for its services are listed herein.

Efficient gets paid its fees either on a monthly, quarterly, semi-annual or annual basis. The specific details relating to percentage of fees charged by Efficient and the time period for which the fees are calculated and be paid are set forth in the applicable OM.

Efficient can receive compensation in the form of one or more of the following fees as set forth below:

Platform Fee: A fee payable to Efficient for accessing investments through a customized platform structure which is designed to give the investor the option of selecting single manager or multi-manager options for investment purposes. The specified fee and the method of calculation is described in each OM and can vary by product and by investor. Please note the Platform Fee is also referred to as the “Administration Fee” in some of the OMs. This fee should not be confused with the Management Fee described below which can be charged in addition to this fee. This fee can range from 0% to 4.0% per annum, payable monthly in arrears.

Management Fee: Efficient may receive a Management Fee as the CPO or as the Investment Manager of a Client. The specified fee and the method of calculation is described in each OM of every Client Efficient manages and can vary by product and by investor. This fee can range from 0% to 5.40% per annum, payable monthly in arrears.

Incentive Fee: Efficient may receive an Incentive Fee as the CPO or the Investment Manager. The specified fee and the method of calculation is described in each OM of every Client Efficient manages and can vary by product and by investor. Please note the Incentive Fee is also referred to as the “Performance Fee” in some of the OMs. This fee can range from 0% to 20% and the time period for payment of Incentive Fees can be on a monthly basis, quarterly basis, semi-annual basis or annual basis.

The calculation methodologies of any of the fees shown above as well as the timing of the payment of the fees are set forth in the OM for the Clients. If fees were to vary from that which is shown in the OM, such fees generally would be memorialized in a side letter or other agreement.

Efficient has and may continue to negotiate fees with its Clients or investors in Clients through side letters or other agreements. Fees charged by Efficient can vary. A potential investor should request the specific OM for the Fund for which they are interested in making an investment.

All of the fees earned by Efficient are paid to Efficient by the Clients and are reflected in the Client’s Net Asset Value (“NAV”) for on the statement sent to the investor by the third-party fund administrator. The external administrator will calculate the fees owed to Efficient and will wire transfer such fees to Efficient through a deduction from the Client’s account.

Efficient shares its fees with appropriately registered third parties who act as placement agents for the offer and sale of interests in the Funds. Efficient also participates in fee sharing with certain Advisors that trade for the Clients (i.e., Efficient receives a portion of those Advisors’ fees, which are referenced below). This fee sharing arrangement creates a conflict of interest because Efficient has an incentive to select or recommend (as applicable) Advisors that permit Efficient to participate in the sharing of the Advisors’ management or incentive fees. Notwithstanding the foregoing, Efficient will select or recommend only Advisors that it believes are in the Client’s best interest and that are consistent with the Client’s overall investment objectives and strategies. Such fee sharing will be disclosed in the applicable OM or other document of the particular Client. See also ITEM 8 – METHODS OF ANALYSIS, INVESTMENT STRATEGIES AND RISK OF LOSS – CERTAIN OTHER RISK FACTORS – Conflicts of Interest.

In addition to Efficient’s fees, Advisors are compensated for trading. Fees for the Advisors can range from a management fee of 0% to 2% and an incentive fee of 0% to 50%. These fees for investment advisory services can vary widely by Client and may be available for less from other sources.

In addition to Efficient’s fees and Advisor fees, each Client is subject to fees and expenses relating to operating a Fund. Such expenses may include but are not limited to organizational and offering fees and expenses, brokerage fees, execution fees, cash management fees, custodial fees, bank fees, clearing fees, exchange transaction fees, exchange membership fees, FATCA fees, director

fees, registered office fees, regulatory fees, administrator fees, audit and tax-preparation fees and legal fees. See also ITEM 12 – BROKERAGE PRACTICES for additional information regarding brokerage fees.

PLEASE REFER TO THE APPROPRIATE OM FOR A FULL DESCRIPTION OF THE FEES THAT WILL BE CHARGED BY EFFICIENT AND THE EXTERNAL ADVISERS THAT WILL TRADE THE ASSETS OF EACH CLIENT.

ITEM 6. PERFORMANCE-BASED FEES AND SIDE-BY-SIDE MANAGEMENT

As noted in Item 5, “Fees and Compensation”, Efficient receives performance-based compensation from certain Clients, also referred to as an Incentive Fee. The specified fee and the method of calculation is described in each OM. The fees charged can vary between Clients. Since Efficient offers customization, it is possible that a Client will not pay an Incentive Fee and instead may pay Efficient a Management Fee and/or a Platform/Administration Fee as described under Item 5. Furthermore, it is also possible that Efficient will be paid an Incentive Fee, Management Fee and Platform Fee as described herein under Item 5. The fact that Efficient will receive greater or different compensation from certain Clients but not others present a conflict of interest which is addressed through allocation policies that allocate assets to Advisors for trading in a manner consistent with the Clients’ investment objectives and strategies. In addition to Efficient’s fees and Advisor fees, each Client is subject to fees and expenses relating to operating a Fund. Such expenses are summarized in Item 5, and as may be further specifically described in the OM.

ITEM 7. TYPES OF CLIENTS

The types of Clients that Efficient currently services are Funds managed by Efficient.

Efficient’s Funds are domiciled in the United States and in the Cayman Islands or other offshore jurisdictions. The U.S.-domiciled Funds (“U.S. Funds”) only accept investors that are “accredited investors” within the meaning of Regulation D under the Securities Act of 1933, as amended, and “qualified eligible persons” as defined in Rule 4.7(a) under the Commodity Exchange Act, as amended (“CEA”). The offshore-domiciled Funds (“Offshore Funds”) are limited to investors that are U.S. persons who are both accredited investors and qualified eligible persons, or non-U.S. persons. Specific Funds may impose additional or different regulatory eligibility standards for investors to invest, if applicable.

The minimums for investment into any of the Funds can range from \$100,000.00 for the U.S. Funds to \$1,000,000.00 and may be lower or higher depending on the factors relating to the level of customization.

The minimum investment for the Offshore Funds start at \$1,000,000.00 and may be lower or higher depending on the factors relating to the level of customization.

Investors in the Funds typically include large institutions, such as banks, insurance companies, investment companies, public and private pensions and retirement funds, endowments and foundations, among other investors.

ITEM 8. METHODS OF ANALYSIS, INVESTMENT STRATEGIES AND RISK OF LOSS

Efficient engages unrelated third-party Advisors to trade the assets of the Clients managed by Efficient. Each Advisor selected is monitored by Efficient. Every Advisor is instructed to trade the assets of the Client in accordance with the investment objectives, strategy and risk guidelines (if any) agreed upon between Efficient and the Advisor as documented in the relevant OM, Investment Management Agreement or other agreement entered into by the Advisor and the Clients managed by Efficient.

Some of Efficient's Clients also invest directly in other Clients managed by Efficient, thereby creating a Fund of Funds effect. Such investment is disclosed in the OM and its supplements to keep investors informed as to how their assets are being managed.

Efficient manages Clients that are broadly diversified across markets and underlying trading strategies. Efficient also manages Clients which may focus solely on one Advisor and/or a single trading strategy.

All trading strategies must meet rigorous quantitative standards. Significant effort goes into monitoring the trading strategies for changes to risk taking (style drift), increased in exposure (excessive risk), degradation of quantitative edge and performance relative to internal and external benchmarks.

Efficient allocates to a variety of trading strategies that broadly fall within two categories: long term trend followers and diversifiers (or long-term trend complements). The specific investment objectives and strategies for a Client may be further disclosed in the Client's OM.

Trend Followers

Traditional Long-Term Trend Following strategies are designed to find and take advantage of market directionality over 20+ trading days. Time series momentum infers continued directionality from recent returns. Breakouts, on the other hand, construct general ranges of market motion and take positions when the market moves outside of an expected range.

Differentiated Long-Term Trend Following strategies are also designed to find and take advantage of market directionality over 20+ trading days. They differ from traditional long-term trend following strategies by using additional techniques to identify a trend, including macro information and trend anticipation signals.

Diversifiers

Short-Term Trend Following managers identify trends similarly to their longer-term counterparts while maintaining a shorter trade hold duration (generally <10 days) and a greater reliance on counter trend or pattern recognition techniques.

Global Macro Discretionary strategies are designed to exploit market moves based on fundamental and technical data. Positions are taken using discretionary, as opposed to systematic, signal generation.

Unique Diversifiers exploit inconsistencies in market movement and exhibit low correlation to other trading styles/strategies. They employ a diverse set of signal generation ideas across multiple timeframes in quantifiably “unique” ways.

Futures traders typically rely on “technical” analysis, “fundamental/economic,” analysis or a combination of them, in arriving at their trading decisions.

Technical analysis is based on the theory that a study of market activity will predict future prices, and that market prices at any given time reflect all known factors affecting supply and demand. Technical analysis of the markets generally includes a study of, among other things, the daily, weekly and monthly price fluctuations and volume variations or changes in open interest. Such an approach to the futures markets may use a series of mathematical measurements and calculations designed to monitor market activity and to generate trading signals.

As opposed to technical analysis, fundamental and economic analyses rely on a study of those external factors that affect supply and demand of the underlying commodity or financial instrument. With respect to foreign exchange currency markets, for example, some of the fundamental factors that affect the demand for a currency include the inflation and interest rates of the currency’s domestic market, exchange controls, such country’s balance of trade and business and political stability.

Futures traders may also be classified as “systematic” or “discretionary” in their trading approaches. Systematic traders rely primarily on programs or models that generate trading signals, which are implemented without additional analysis once a signal is generated. For systematic traders, judgmental factors are often limited to such considerations as identification of markets to follow and the size of positions to establish. On the other hand, discretionary traders, as opposed to systematic traders, trade primarily on the basis of their judgment, with only secondary reliance, if at all, on technical analysis, such as charts or computer programs. Systematic traders frequently rely on technical analysis because technical data is readily subject to quantification. However, a trader could seek to trade systematically on the basis of fundamental information.

Prospective investors in a Fund should read the entire OM as well as consider the following risk factors before investing. The following risk factors are neither a complete explanation nor a complete list of the risks involved in investing in the Fund. An investment in a Fund involves an extremely high degree of risk, is suitable only for knowledgeable investors that can afford to lose their entire investment and should be made only after consultation with independent qualified sources of investment, legal and tax advice.

RISK OF TECHNICAL TRADING:

Generally, a trading approach attempts to detect trends in price movements of some scale in a particular market. Successful speculative futures trading often depends upon establishing a

position and then maintaining that position while the market moves in favor of the position. Technical trading systems seek to establish such positions and to exit the market and/or establish reverse positions when the favorable trend either reverses or does not materialize. Fundamental trading systems seek to anticipate price movements by reviewing underlying economic conditions. Neither approach will be successful if the market is moving in an erratic and non-trending manner or if the market moves in the direction opposite to that predicted by the system or analysis. Because of the nature of futures markets, prices frequently may appear to be trending when they are, in fact, without a trend. In addition, a trading system may identify markets as trending favorably to a particular position in the market even though actual market performance thereafter is the opposite of the identified trend.

Technical systems that are “trend-following,” in particular, will seek to establish positions to profit from major price movements, and seldom establish a market position or exit the position at the most favorable price in the particular market trend. Rather, this type of trading system seeks to close out losing positions quickly and to hold profitable positions for as long as the trading system determines that the particular market trend continues to exist; however, there can be no assurance that profitable positions can be initiated or liquidated at the most favorable price in a particular trend since a number of other traders following similar trends may attempt to initiate or liquidate substantial positions in the market at or about the same time. Furthermore, a trend-following system typically will not establish or exit a position at either the beginning or the end of the trend. This occurs because the signal indicating that a trend is beginning or is over will typically occur sometime after the beginning or the end of the trend. As a result, the number of losing transactions can be expected to exceed substantially the number of profitable transactions. However, if a system is successful, these losses should be small and, hopefully, should be more than offset by a few large gains.

RISK OF FUNDAMENTAL TRADING:

Certain Advisors may base their trading decisions, in whole or in part, on fundamental analysis, which generally relies on external factors, such as inflation, trade balances, inventories and interest rates to signal price trends. To the extent that external factors provide mixed or conflicting signals, a fundamental trading system may not be able to detect price trends when, in fact, they are occurring.

DEPENDENCE ON EFFICIENT AND ITS KEY PERSONNEL:

Efficient will make all decisions with respect to the selection of the Advisors, and the Funds will be dependent on Efficient’s judgment and abilities. Accordingly, no person should invest in a Fund unless it is willing to entrust all aspects of the Fund’s activities to Efficient. There is no assurance that Efficient will be successful.

Efficient is dependent upon the services and expertise of key personnel. If the services of any key personnel of Efficient were to become unavailable, there is no assurance that suitable replacements could be found. In addition, there is no assurance that a suitable replacement could be found if Efficient could no longer act. Accordingly, the loss of the services of Efficient or one of its key personnel could materially and adversely affect the Funds.

RISKS RELATED TO THE ADVISORS:

Reliance on Advisors. All decisions concerning trading for a Fund will be made by the Advisor(s) trading the assets of that Fund. Efficient will not control the investments made by the Advisors. Investors therefore are dependent upon the judgment and abilities of Efficient in selecting the various Advisors and the judgment and abilities of the various Advisors in selecting the investments for their respective Fund. There is no assurance that either or both of Efficient and the Advisors will be successful.

Each of the Advisors is dependent on the services of its principals and other key personnel. If the services of any such principal or other key personnel are not available to an Advisor, or are interrupted, the continued ability of that Advisor to render services may be subject to substantial uncertainty, and the services of that Advisor could be terminated completely. No assurance can be given that a suitable replacement could be found for any such Advisor. The loss of the services of any Advisor or one of their key personnel could materially and adversely affect the performance of the Fund.

An Advisor may alter its trading methods at any time, including by adding securities, bonds, derivatives and other non-commodity related assets to their trading method without notice to or approval by the investors in a Fund. No assurance can be given that any trading techniques and strategies currently employed, or instituted in the future, by an Advisor will be profitable or that any alteration to an Advisor's trading methods will be successful, will achieve results comparable to or better than other techniques or strategies or recognized market benchmarks, or will not result in substantial losses.

Generally, an Advisor (or its affiliates) will manage additional accounts or funds other than a Fund's account. Each Advisor will devote only such amount of time as it feels is necessary to the rendering of services to such account. For a variety of reasons, such as an Advisor receiving more favorable compensation from another account or fund that it manages, such Advisor may devote more time to such other account or fund than to the Fund's account it manages, which could materially and adversely affect the performance of the Fund's account. In addition, these other accounts may compete for the same trades as the Fund, including the priorities of order entry and the allocations of trades among the Advisor's managed accounts and funds. The agreement between a Fund and the Advisor generally does not impose any specific limit as to the number of accounts an Advisor (or its affiliates) may manage in the aggregate for the Fund and others or to the amount of time that an Advisor must devote to the Fund's account.

No Advisor will advise Efficient in advance of effecting any transactions. Accordingly, although Efficient may have the right to remove any Advisor (unless otherwise agreed with the Fund), substantial losses (including losses incurred in transactions in futures made by the Advisor which are not authorized by Efficient or losses which exceed the amount in the account) could be incurred before Efficient could take action.

New Advisors. Efficient may from time to time terminate the services of Advisors and may reallocate all or a part of the assets that were previously allocated to the terminated Advisor among the then current Advisors for the Fund or it may allocate all or part of such assets to a newly appointed Advisor as Efficient may determine in its sole discretion (except as otherwise agreed

with the Fund). Investors in Funds may not be advised of, nor will their approval be required for, the termination of an Advisor or of the selection of any additional and replacement Advisors or of the allocation of assets previously traded by the terminated Advisor to other Advisors (except as otherwise agreed with the Fund). A new Advisor that replaces a prior Advisor generally may be entitled to receive an incentive fee based on any subsequent trading profits generated by such new Advisor despite the fact that those trading profits do not exceed trading losses incurred by the previous advisor or by the Fund whose account was traded by the terminated Advisor. No assurances can be given that any new Advisor can be retained on terms better or no less favorable than a previous Advisor or that the trading program or strategy of the new advisor will be successful or perform better than that of a previous Advisor.

Emerging Advisors. Efficient may engage the services of an Advisor that has limited or no prior experience trading for the accounts of others. Although past performance is not necessarily indicative of future results, the lack of experience of such “emerging managers” may make it riskier to engage such manager as opposed to a more experienced trading advisor. Furthermore, even if an Advisor may have prior trading experience, such Advisor may have limited experience in managing accounts for others or in operating a business. As a result, such advisors may not devote enough time to trading or to the business of managing its accounts resulting in profits not being realized, losses being incurred or the business failing.

Concentrated Trading; Lack of Diversification. An Advisor may concentrate the assets of the Fund it manages in a relatively small number of sectors in which futures contracts are traded. Consequently, the futures positions maintained by the Fund may not be over a diverse variety of futures and might not be as diversified as those of other commodity pools or funds, which could materially and adversely affect results. In addition, lack of diversification and concentration of trading in a relatively small sector of futures contracts may subject the Fund to relatively greater volatility in its performance. Furthermore, one or more other Advisors in which a Fund is invested may also be invested in the same futures contracts, thereby increasing the Fund’s concentration and the risk exposure.

RISK RELATED TO THE VOLATILE NATURE OF FUTURES TRADING:

The profitability of any technical trading system depends upon major price moves or trends which can be interpreted by the system as price trends sufficient to effect or close out a position. There can be no assurance that any trading strategy will produce profitable results or will not incur significant losses. Furthermore, the past performance is not necessarily indicative of future profitability. Profitable trading is often dependent on anticipating trends or trading patterns. Markets subject to random price fluctuations, rather than defined trends or patterns, may generate a series of losing trades. There have been periods in the past when the markets have been subject to limited and ill-defined price movements, and such periods may and are expected to recur. Any factor which may lessen major price trends (such as governmental controls affecting the markets) may reduce the prospect for future trading profitability. Any factor which would make it difficult to execute trades, such as reduced liquidity or extreme market developments resulting in “limit” moves (i.e., the maximum price change in a commodity futures contract permitted during a single trading session), could also be detrimental to profits. The best trading strategy, whether based on fundamental or technical analysis, generally will not be profitable if there are no trends of the kind

it seeks to follow and then, even if there is a discernible trend, there can be no assurances that profits will result or that significant losses will not be incurred.

RISK RELATED TO THE HIGH LEVERAGE AND VOLATILITY OF FUTURES TRADING:

Futures contracts are standardized contracts which allow the trader to buy or sell a specified asset of a standardized quantity and quality, such as bushels of grain, at a specified price with delivery and payment taking place sometime in the future. Futures contracts are traded by posting a good faith performance bond, known as margin, which is typically only 5%-15% of the value of the futures contract. Thus, for a relatively small amount of money a trader may maintain a position in the futures markets having a value substantially greater than the margin required. This ability to control assets having a value substantially greater than the margin results in futures contracts inherently having a considerable amount of embedded leverage. In addition, many, if not all, of the accounts will be traded on a “notional funding” basis, which enhances their margin usage thereby allowing trading in larger quantities of contracts. As a result, this could increase trading losses and volatility, as well as generating more brokerage fees and incentive fees being paid, since the number of trades by an account could be greater as a result of the leverage which in turn requires the Fund to generate greater profits to offset the increased brokerage fees.

RISK RELATED TO INVESTING IN MONEY MARKET FUNDS AND CASH-EQUIVALENT INSTRUMENTS:

Call Risks. If the securities in which a Fund invests are redeemed by the issuer before maturity (or “called”), the Fund may have to reinvest the proceeds in securities that pay a lower interest rate, which may decrease the Fund’s yield. This will most likely happen when interest rates are declining.

Credit Risk. Credit risk is the possibility that an issuer or counterparty will default on a security or repurchase agreement by failing to pay interest or principal when due. If an issuer defaults, a Fund which holds such security or has entered into a repurchase agreement may lose money. Lower credit ratings correspond to higher credit risk. Bonds rated lower than BBB or Baa have speculative characteristics.

Government Obligations Risks. No assurance can be given that the U.S. government will provide financial support to U.S. government sponsored agencies or instrumentalities where it is not obligated to do so by law (such as Fannie Mae or Freddie Mac). As a result, a risk exists that these entities will default on a financial obligation.

Income Risks. A Fund’s income could decline due to falling market interest rates. In a falling interest rate environment, a Fund may be required to invest its assets in lower-yielding securities.

Interest Rate Risks. Prices of fixed income securities rise and fall in response to changes in the interest rate paid by similar securities. Generally, when interest rates rise, prices of fixed income securities fall.

Interest rate changes have a greater effect on the price of fixed income securities with longer maturities. Interest rate changes also are influenced by a number of factors including government policy, inflation expectations, and supply and demand.

Liquidity Risks. Liquidity risk refers to the possibility that the trading market for a particular type of security becomes less liquid or a Fund may not be able to sell or buy a security or close out an investment contract at a favorable price or time. Consequently, a Fund may have to accept a lower price to sell a security, sell other securities to raise cash, or give up an investment opportunity, any of which could have a negative effect on the Fund's performance. Infrequent trading of securities also may lead to an increase in their price volatility. Illiquidity may result from political, economic, or issuer specific events or overall market disruptions.

Management Risks. An Advisor's judgments about the attractiveness, value, and potential appreciation of a Fund's investments may prove to be incorrect. Accordingly, no guarantee exists that the investment techniques used by the Fund's managers will produce the desired results.

Regulatory Changes Risk. The SEC adopted changes to the rules that govern the way in which money market funds are operated which took effect in 2016. These changes: (i) categorized all money market funds as either institutional, retail, or government money market funds; (ii) require funds operating as government money market funds to invest at least 99.5% of their assets in U.S. government securities; (iii) require institutional funds to operate with a floating net asset value; and (iv) require institutional and retail funds to adopt policies and procedures regarding "liquidity fees" and "redemption gates," and permit (but not require) government money market funds to do the same. These changes also amended the diversification, stress testing, and disclosure requirements applicable to money market funds. The full effects of the changes on a Fund's investment strategies, operations, and/or return potential are not yet known.

CERTAIN OTHER RISK FACTORS:

General Investment Risks. Investments in general present a risk of loss of capital. An investment in a Fund is highly speculative and involves substantial risks, including the risk of loss of an investor's entire investment. The trading for Clients will be purely speculative, will be in markets that are subject to a high degree of volatility and will be subject to general economic and market conditions, such as, economic recessions or general slowdowns in the overall economy, supply and demand relationships, national and international political and economic events and changes in laws and governmental policies, which can substantially and adversely affect performance. No assurance can be given that the underlying Advisors employed for a Fund will anticipate any such changes prior to their occurrence or will react quickly enough after their occurrence so as to prevent substantial losses. In addition, no assurance can be given that any of the various strategies or programs utilized will succeed in changing economic and market conditions, or will succeed at all under any circumstances. Under certain circumstances it may not be possible to liquidate an investment immediately or for a significant period of time which could adversely affect a Client.

Expenses May Exceed Profits; Potential Loss of Entire Investment. To be successful, the Client must generate profits and not merely avoid losses, as expenses will deplete the Client's assets in the absence of profits. Furthermore, the profits must exceed the operating and investment

expenses for the Client to be successful, which expenses may be significant. Investors in each Client are reminded that past results are not necessarily indicative of future performance.

Different Business Terms. Certain investors in a Client may invest on investment and business terms that are different than other investors in that Client, including but not limited to, leverage/portfolio exposure, fees, notices and transparency of information, and liquidity. In addition, given the investor-specific nature of many Clients, the investment and business terms of those customized Clients may be, by their nature, different than other customized or more “generally offered” Clients.

Conflicts of Interest. Certain conflicts of interest may exist with respect to a Client, Efficient, an Advisor or other third-parties. For example, Efficient receives a portion of the fees earned by certain Advisors from their management of Client accounts. In such instances, Efficient would stand to benefit financially from its recommendation or selection of the Advisor with which it shares fees compared to an Advisor with which it does not share fees. See ITEM 5 – FEES AND EXPENSES. A more complete description of a Client’s applicable conflicts will be contained in the relevant OM. Notwithstanding these or other potential conflicts, Efficient will always endeavor to act in the best interests of its Clients and to mitigate conflicts in a responsible manner.

Substantial Redemptions. Substantial redemptions in a Client or withdrawals from an account in a short period could materially and adversely affect the Client by requiring trading positions to be liquidated at a time that is disadvantageous to the Client.

Currency Hedging. For certain Funds classes or interests of shares may be offered, sold and priced in currencies other than the U.S. dollar. Accordingly, changes in the exchange rate between the U.S. dollar and such other currencies may result in a decline in the value of the class. Although it is not required to do so, Efficient, in its discretion, may determine to use techniques to hedge the currency risk of a class. If the currency risk of a class is hedged, there is no assurance that such currency hedging activities will be successful in mitigating the currency exchange rate risk. Furthermore, although hedging transactions are intended to minimize the risk of loss due to a decline in the value of the hedged currency, such transactions may also limit any potential gain that might be realized should the value of the hedged currency increase. All costs, and any discrepancies, will be borne by the class for which such hedging activities are undertaken. To the extent that currency risk is not hedged, those assets will be subject to the risks of change not only in the value of the investment in the currency other than the U.S. dollar, but to changes in the U.S. dollar exchange rate, any of which could materially and adversely affect the performance of the affected class.

Cash Management Services. No Cash Manager guarantees any interest or profits will accrue on Client assets under its management. Furthermore, in view of the low interest rates which have been paid in recent years, it is anticipated that, until interest rates increase substantially, small amounts of interest will continue be earned on investments made for cash management purposes.

The Futures and Foreign Exchange Markets Trading and Price Fluctuations. A principal risk in futures trading is the volatility (rapid fluctuation) in market prices. The prices of futures contracts often fluctuate rapidly and over wide ranges during short periods of time, which can

result in losses exceeding the available assets. Generally, the profitability of trading in futures depends primarily on predicting trends in fluctuations in market prices, although there are exceptions to this. Prices are affected by a wide variety of complex and hard-to-predict ever changing factors, such as supply of money, inflation, weather and climatic conditions, governmental activities and regulations, political events and economic and prevailing psychological characteristics of the marketplace.

Risk Related to the Possible Delivery of Physical Commodities. Speculative futures trading typically does not anticipate making or accepting delivery of the contract or contracts traded. In certain cases, however, it may be determined to accept or to make delivery, or market conditions may be such that an open position cannot be liquidated to avoid delivery. In the event of delivery, it may be necessary for the account to borrow funds to purchase and, where required, store the physical commodity. Such borrowing may be at rates above the market rate for short-term loans and such purchase may be above the current market rate for the commodity.

Substantial Leverage. To initiate and maintain a position in the futures markets amounts equal to the full value of the contracts are not required to be deposited. Instead, all that is required is a good faith performance deposit called margin. Margin is a very small percentage of the total value of the futures contract and, as a result, future contracts have a large amount of embedded leverage, (i.e., futures contracts for a large number of units (e.g., bushels or pounds) of a commodity, having a value substantially greater than the margin), and may be traded for a relatively small amount of money. Hence, a relatively small change in the market price of a futures contract can produce a corresponding large profit or loss that is disproportionate to the amount of funds deposited as margin. Losses on futures positions are not limited to the amount of margin deposited and, like other investments with embedded leverage, can result in losses far in excess of the amount invested or the equity in the account. Given the volatility of futures, such profits and losses may appear and disappear suddenly. In addition, if the value of the futures positions declines, a Client could be subject to a “margin call” requiring it to either deposit additional margin or suffer mandatory liquidation of all or part of the relevant futures positions which could potentially occur at a time that is not advantageous and could result in substantial losses.

Notional Funding. Notional funding will be used in trading Clients’ accounts. Notional funding allows for enhanced margin usage thereby allowing the Advisors to trade in larger quantities of contracts. In effect, notional funding allows the investor to “leverage” its cash investment by taking on additional risk for free. The “leverage” is free because the notionally funded amount is neither borrowed nor invested. As a result, this could increase trading losses and volatility as well as generate more brokerage fees.

Illiquid Markets. Due to market conditions and/or price fluctuations, it is not always possible to execute a buy or sell order in a futures market at the desired price, or to close out an open position. For example, if the market price of a futures contract reaches its daily price fluctuation limit trading in such contract may be restricted or nonexistent. Daily price fluctuation limits on U.S. markets are established by the exchanges and approved by the CFTC and are the maximum amount that a futures contract may increase or decrease in a trading session from its previous settlement price. If a futures contract is trading at its daily price fluctuation limit traders may be unable to liquidate a position in the contract resulting in the trade being “locked” into an adverse price movement for

an indefinite time period. It may also be difficult or impossible to execute orders in markets which lack sufficient trading liquidity, thereby causing the account to incur substantial losses. No assurance can be given that the orders of the Advisors will be executed at or near the desired price or that the markets in which the Advisors effect trades will be liquid or that they will not trade in markets which may at any time become illiquid.

Valuation Risk. A Client's assets may be invested in derivatives that are illiquid and/or which are difficult to value. Although such derivatives will be valued in good faith and, where possible, will be based upon a valuation by a third party, there can be no assurance that the estimated valuation will reflect the true market value, or the value which would be realized if the position were liquidated, at the time of valuation.

Futures Trading is Very Competitive. Those trading futures will be competing with others who may have greater experience, more extensive information upon which to trade, or more sophisticated procedures, technologies and systems and greater financial resources, all of which may give them a competitive edge over others.

Possible Effects of Speculative Position Limits. The CFTC and the United States commodities exchanges have established limits referred to as "speculative position limits" on the maximum net long or net short speculative positions that any person may hold or control in specified futures or options contracts traded on United States commodities exchanges. In addition, European speculative position limits are now applicable to commodity derivatives pursuant to MiFID II. As a result, positions maintained for Clients may have to be liquidated in order to comply with such limits at a time that is disadvantageous, which could result in substantial costs and potential loss of profits to the Clients.

Trading in Options on Commodity Futures. Although successful trading in options on futures contracts requires many of the same skills required for successful futures trading, the risks involved may be different. Options trading may be restricted in the event that trading in the underlying futures contract becomes restricted, and options markets may themselves be illiquid at times, irrespective of the condition of the market in the underlying futures contract, making it difficult to offset option positions.

Forward Trading. Advisors may enter into forward contracts in the over-the-counter market. Forward contracts and options thereon are not traded on exchanges and are not standardized. Rather, a bank or other entity will act as the agent or as the principal negotiating each transaction on an individual basis in order to make or take future delivery of a specified lot of a particular currency. Although the foreign currency market may not necessarily be more volatile than other futures markets, such forward trading may involve less protection against defaults, and therefore greater risks, than trading on exchanges. The forward and spot currency markets are substantially unregulated. There is generally no limitation on price moves nor are there speculative position limits. Furthermore, there is no exchange clearing house that "guarantees" performance of the trades (as on U.S. exchanges), thus subjecting the Clients to the risk that the bank or other counterparty to such contracts may fail, be unable or refuse to perform with respect to such contracts, thereby depriving the Clients of unrealized profits or forcing such Clients to cover their commitments with a third party for resale, if any, at the then market price. In addition, collateral

deposited with a counterparty may not be held in an account that is segregated from the counterparty's assets, thereby subjecting such collateral to the risk that it will be available to the counterparty's creditors. Even if a Client's monies are kept separate from the counterparty's operating funds, such Client's monies may not be safe from the claims of other general and priority creditors. Accordingly, regardless of the measures implemented by Efficient to reduce counterparty risk, there cannot be any assurance that a counterparty will not default or that a Client will not sustain losses on the transaction. Banks and other counterparties are not required to continue to make markets in forward contracts. Thus, there may be periods during which banks and other counterparties refuse to quote prices for forward contracts or quote prices with an unusually wide spread between the price at which the bank or other counterparty is prepared to buy and that at which it is prepared to sell. Accordingly, the trading of forward contracts may involve greater risks than those accompanying trading of futures contracts on exchanges.

Physical Delivery. Many of the futures contracts traded provide for delivery of the underlying product at maturity of the contract. Although the Advisors do not intend to take physical delivery, if the position is not closed out or "rolled-over" into a new position prior to any delivery date for the physical commodity, significant fees and costs could be incurred, which could have a materially adverse effect on the account.

Credit Risks Failure of Brokerage Firm or Futures Exchange. The assets of a Client held at its clearing broker or other counterparties or institutions are subject to the risk of loss. In fact, in the recent past, there have been several well-known clearing brokers that have failed. Assets of the Clients on deposit with U.S regulated Futures Commission Merchants ("FCM") for the trading of exchange-traded futures and options on futures are subject to the segregation requirements imposed by the CFTC. In general, segregation requires FCMs to segregate customer assets on deposit from the assets of the FCM. Thus, in the event of the FCM's insolvency or bankruptcy, segregated customer assets will not be available to satisfy the debts of the bankrupt or insolvent FCM. In the event that an FCM does not properly hold the assets of the its clients in segregation, as has occurred in the past, the Client's assets could be at risk, in whole or in part, in the event of the FCM's insolvency. Segregation, however, does not require one customer's assets on deposit with the FCM to be segregated from the assets of other customers. Thus, in the event of an FCM's bankruptcy, a Client generally would be limited to recovering only a pro-rata share of all available funds segregated on behalf of the FCM's combined customer accounts in the event sufficient segregated funds are not available to satisfy all such claims. Furthermore, even if a Client does not suffer any losses on its assets which are held at a bankrupt clearing broker, or other financial institution, the Client could experience losses in the markets as a result of the Client's inability to access its assets and/or execute transactions in a timely manner or at all.

Client assets on deposit with its non-U.S. regulated clearing brokers in connection with its non-U.S. listed futures transactions are not subject to the segregation requirements of the CFTC and may be at risk in the event of the broker's insolvency, or at least may not be subject to identical or similar customer funds protections as would be available to customers of U.S regulated clearing brokers. A significant amount of a Client's trading activity may be with clearing brokers and other trading counterparties that are not subject to U.S. regulation.

In addition, in the event of the bankruptcy or insolvency of an exchange or its clearing house, a Client might experience a loss of funds deposited through its broker as margin with the exchange or clearing house, a loss of unrealized profits on its open positions, and the loss of funds owed to it as realized profits on closed positions.

For these reasons among others, there can be no guarantee that a Client will not lose all or a portion of its assets as a result of a broker's, counterparty's or other institution's failure or for other reasons.

Ability to Access Investor Funds. The terms of certain Funds may impose limitations or restrictions on an investor's ability to withdraw or redeem its capital from the Fund. Investors may not always have ready access to their capital invested, due to the terms of the Fund, or due to other exigencies, such as market disruptions or illiquidity events. Accordingly, investors should invest only risk capital in the Fund.

Inadequate or Flawed Models. A Fund's trading may be highly model driven, and subject to possible flaws in the models. As market dynamics (for example, due to changed market conditions and participants) shift over time, a previously highly successful model often becomes outdated or inaccurate, sometimes without the Advisor recognizing that fact before substantial losses are incurred. In particular, a Fund may incur major losses in the event of disrupted markets and other extraordinary events that cause an Advisor's pricing models to generate prices which deviate from the market. The risk of loss to the Fund in the case of disrupted markets is compounded by the number of different investment models of pricing, each of which may independently become wholly unpredictable during market disruptions.

An Advisor may anticipate the continued modification, enhancement, and development of its models. Each new generation of models (including incremental improvements to current models) exposes a Fund to the possibility of unforeseen losses from a variety of factors, including conceptual failures and implementation failures. There can be no assurance that the models that an Advisor uses will be effective or that they will be effectively utilized. Moreover, there can be no assurance that an Advisor will be able to continue to develop, maintain, and update the models so as to effectively implement its particular trading strategy.

Failure to Receive Data from Third Parties. Efficient and the Advisors are each dependent to a significant degree on the receipt of timely and accurate trade, market and other data from the Advisors, third party vendors, brokers, exchanges, and others. Accordingly, the failure to receive this data in a timely manner or the receipt of inaccurate data, whether due to acts or omissions of a third party or otherwise, could disrupt trading to the detriment of a Fund or make trading impossible until the failure or inaccuracy is remedied. Any failure or inaccuracy could, in certain market conditions, cause a Fund to experience significant trading losses, may affect trades or miss opportunities for profitable trading, or prevent or delay an investor from accessing its funds. For example, the receipt of inaccurate market data may cause an Advisor to establish (or exit) a position which it otherwise would not have established (or exited), or fail to establish (or exit) a position which it otherwise would have established (or exited), and any subsequent correction of the inaccurate data may cause an Advisor to reverse such action or inaction, all of which may ultimately be to a Fund's detriment.

Systems Failures. Efficient and its Funds are dependent to a significant degree on the proper functioning of Efficient's and the Advisors' internal computer systems. Accordingly, systems failures, whether due to failures of third parties upon which the systems are dependent or the failure of the Advisor's or a third-party vendor's hardware or software, could disrupt trading or make trading impossible until the failure is remedied. Any failure, and consequential inability to trade (even for a short time), could, in certain market conditions, cause a Fund to experience significant trading losses or to miss opportunities for profitable trading. Additionally, any such failures could cause a temporary delay in reports to investors or the ability of an investor to access its funds.

Data Loss due to Cybersecurity Breaches. In the ordinary course of its business, Efficient and its Advisors each develops, utilizes, stores and transmits sensitive and proprietary data, including investment strategy, trading and position information, business information, intellectual property and trade secrets, and personally identifiable information of its clients including the Funds and their investors, in Efficient's and the Advisor's data centers and on its networks (or third-party data centers and networks which Efficient or the Advisors use). The secure development, processing, maintenance and transmission of this information is critical to Efficient's and its Advisors' operations. Despite security measures, the information technology and infrastructure used by Efficient, the Advisors or third parties may be vulnerable to attacks by hackers or breached due to employee or third-party error, malfeasance or other internal or external disruptions. Any breach could compromise Efficient's, the Advisor's or other third-parties' networks and databases, and the information stored or transmitted there could be accessed, publicly disclosed, lost, stolen or damaged. Any access, disclosure or other loss of key or sensitive information could result in legal or regulatory liability for Efficient, or disrupt Efficient's operations or an Advisor's trading activities, which could adversely affect one or more Funds, resulting in investment losses or other operational issues.

An investment managed by Efficient is extremely speculative, highly risky and should be considered only by an investor that does not need income by the way of distributions and can afford to lose the entire amount invested.

Prospective investors should read the entire OM for the relevant Fund as well as consider all of the risk factors before investing. The risk factors listed herein are neither a complete explanation nor a complete list of the risks involved in investing with Efficient. An investment with Efficient involves an extremely high degree of risk, is suitable only for knowledgeable investors that can afford to lose their entire investment and should be made only after consultation with independent qualified sources of investment, legal and tax advice.

ITEM 9. DISCIPLINARY INFORMATION

There have been no legal or disciplinary events involving either Efficient or any of its management personnel that Efficient believes would be material to an investor's or a Client's evaluation of Efficient's advisory business or the integrity of its management.

ITEM 10. OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS

Efficient is registered as a CPO and CTA with the CFTC. Efficient is a member of NFA (NFA ID No. 293441).

Efficient serves as the investment manager, also referred to as the CTA or CPO or sub-adviser, to various non-U.S. Funds and serves as the managing member to the U.S. Funds.

Efficient does not have an application pending to register as: (i) a broker-dealer; (ii) a registered representative of a broker-dealer; (iii) a futures commission merchant; or (vi) an associated person of any such entity.

Efficient may share in the compensation that some Advisors charge to a Client.

Efficient also invests certain of its Clients into other Funds managed by Efficient, in furtherance of the Client's investment objectives and strategies. In such situations, Efficient waives one level of fees so as to reduce conflicts of interest in such cases where a conflict is identified, unless otherwise specified in the OM or other applicable document.

From time to time, Efficient may receive training, information, promotional material, meals, or gifts from Advisors, vendors and others with whom it may do business or to whom it may make business referrals. It is Efficient's policy not to accept benefits, gifts, or other arrangements that are conditioned on directing individual Fund or investor transactions to a specific investment, product or provider.

ITEM 11. CODE OF ETHICS, PARTICIPATION OR INTEREST IN CLIENT TRANSACTIONS AND PERSONAL TRADING

Efficient has adopted a Code of Ethics, pursuant to SEC rule 204A-1, and will provide a copy of Efficient's Code of Ethics to any Client and any investor or prospective investor in a Client upon request.

Pursuant to Efficient's Code of Ethics, Efficient and its employees agree to comply with the spirit and the letter of the Federal securities laws and the rules governing the capital markets.

The Code of Ethics further requires that all employees will act with integrity, and in an ethical manner, when dealing with Clients, investors, the public, prospects, third-party service providers and fellow employees. Employees must use reasonable care and exercise independent professional judgment when conducting investment analysis, making investment recommendations, hedging trades or trading securities, promoting Efficient's services, and engaging in other professional activities.

All employees are expected to adhere to the highest standards with respect to any potential conflicts of interest with Clients. As a fiduciary, Efficient must act in its Clients' best interests. Neither Efficient, nor any employee should ever benefit at the expense of any Client.

Conflicts of Interest

Conflicts of interest may exist between various individuals and entities, including Efficient, its employees, and current or prospective Clients and investors in Clients. Any failure to identify or

properly address a conflict can have severe negative repercussions for Efficient, its employees, and/or Clients and investors in Clients. In some cases, the improper handling of a conflict could result in litigation and/or disciplinary action. Employees must use good judgment in identifying and responding appropriately to actual or apparent conflicts. Conflicts of interest that involve Efficient and/or its employees on one hand, and Clients and/or investors in Clients on the other hand, will generally be fully disclosed and/or resolved in a way that favors the interests of Clients and/or investors in Clients over the interests of Efficient and its employees.

Efficient's principals, employees and affiliates may invest in the Funds alongside third-party investors, on terms that may be the same or different than offered to outside investors.

Efficient will share in the compensation that some Advisors charge to a Client. This fee sharing arrangement creates a conflict of interest because Efficient has an incentive to select or recommend Advisors that permit Efficient to participate in the sharing of management or incentive fees.

Personal Securities Transactions

Efficient allows its employees to trade securities for their personal accounts. Efficient's Code of Ethics states that employee trades should be executed in a manner consistent with Efficient's fiduciary obligations to its Clients. Trades should avoid actual or apparent improprieties and should not be so excessive as to conflict with the employee's ability to fulfill daily job responsibilities. Any Efficient employee that engages in personal securities trading is required to report their personal securities holdings and transactions periodically to Efficient, as required by the rules of the SEC. Efficient's Chief Compliance Officer or her designee will pre-clear private placements and participation in IPOs, if any.

Efficient also allows its employees to trade personal futures and options on futures. Employees must report their trading to Efficient's Chief Compliance Officer or her designee for review on a quarterly basis. Since Efficient itself does not purchase or sell futures or options on futures for itself or its Clients, there is no restriction or pre-clearance needed with respect to trading futures or options on futures.

Clients and investors in Clients may obtain a copy of Efficient's Code of Ethics by emailing Efficient's Chief Compliance Officer at compliance@efficient.com.

ITEM 12. BROKERAGE PRACTICES

Efficient utilizes various FCMs and Prime Brokers (collectively, "Brokers") which clear trades for the Clients. Efficient does not receive any soft-dollar benefits relating to the clearing of the trades. Efficient will perform a due diligence review of each Broker to ensure that it meets Efficient's and its applicable Clients' requirements.

Brokers are selected based upon their ability to service the Clients of Efficient. Efficient will take into consideration the range of the Broker's services, including but not limited to: the commissions they charge for services, their ability to clear trades on a global basis, the costs of executing trades, the ability to price trades accurately and deliver statements on a timely basis each day. Reputation, credit worthiness, integrity and customer service are also an important part of the selection process.

From time to time, Efficient may participate in its Brokers' complementary "capital introduction" services. Neither Efficient nor any Fund separately compensates any Broker for any of these products or services or pays higher brokerage rates in order to receive these products or services, which are provided to the Brokers' customers generally as a matter of standard broker practice. Nonetheless, Efficient may have an incentive to continue to utilize these Brokers over other Brokers that may provide more favorable execution but that do not provide these incidental products and services. However, Efficient does not consider receipt of these products and services, which are of de minimis monetary value, to be a factor in Efficient's decision to utilize its present clearing brokers, and Efficient will endeavor to act in the best interest of each Fund in the selection of brokers.

The Advisors may use various additional brokers for the execution of orders, with such trades "given-up" to the Brokers for clearing and settlement. Orders are placed by unrelated Advisors and therefore those trades are not and cannot be aggregated for execution.

Efficient does not request or use research that may be provided by the Brokers or other broker-dealers.

ITEM 13. REVIEW OF ACCOUNTS

Efficient's Risk and Investment Departments review all of Efficient's Clients accounts on a daily basis. The review consists of monitoring the types and size of trades, and confirming that only permissible contracts are traded as agreed upon by Efficient and the Advisors. Efficient's investment professionals will take appropriate action should it be determined that an adjustment should be made to rebalance a Client.

Efficient has contracted an independent fund administrator to review all accounts and provide investors in each Client with statements showing the NAV of their investment in such Client. Even though Efficient is not responsible for calculating the NAV for the Clients, Efficient's Operations and Risk Departments review all accounts and perform a reasonableness check on a regular (i.e., daily) basis. Such a review is performed to confirm that the administrator is calculating the NAV appropriately and that the risk parameters for the Clients are in balance. Efficient's Clients utilize the services of an independent public accounting firm to prepare audited financial statements which are delivered generally within 120 days of the end of each fiscal year-end.

ITEM 14. CLIENT REFERRALS AND OTHER COMPENSATION

Efficient has not received any Client referrals and as of this date does not compensate any individuals or firms for Client referrals.

Although Efficient does not currently compensate for Client referrals, Efficient may from time to time engage one or more persons to act as a placement agent in connection with the offer and sale of interests in the Funds to investors. Such persons generally will receive a fee for such referral

based upon the agreed-upon fee as documented in the agreement between the placement agent and Efficient.

ITEM 15. CUSTODY

Efficient does not take physical custody of Client assets and securities. Efficient uses the services of independent third party qualified custodians (such as registered FCMs, broker-dealers or banks) to hold such assets and securities in the name of the Client. Those custodians send their statements to the administrator who then compiles the information and produces a monthly account statement for each Client.

The administrator calculates the Client's NAV and sends a monthly statement of their investment directly to each investor. Efficient does not send any statements to investors. To satisfy the custody rule and its obligations under the CFTC rule, Efficient has its Clients audited on annual basis by an independent PCAOB-registered and inspected accountant and distributes them to its investors within 120 days of the end of the Client's fiscal year.

Investors in Clients are urged to carefully review their investor statements, as they contain important information regarding their investment.

ITEM 16. INVESTMENT DISCRETION

Depending on the investment objectives, guidelines and limitations set for each Client, Efficient may utilize its discretion in the selection, due diligence, hiring and firing of Advisors (including any Cash Managers) for each of the Clients that it manages; otherwise, certain Funds may impose limits on Efficient's discretion (i.e., be "non-discretionary" arrangements). Efficient also utilizes discretion when setting parameters, guidelines and duration of securities purchased and sold by the Cash Manager in relation to any excess cash held in the Client's accounts. Efficient also uses discretion as when converting foreign exchange currencies to US Dollars and hedging those positions for the various Client accounts that are domiciled in a currency other than US Dollars, to the extent that such foreign exchange conversion and hedging is not outsourced to a third party, which Efficient may do in its discretion.

ITEM 17. VOTING CLIENT SECURITIES

In compliance with SEC Rule 206(4)-6, Efficient has adopted written proxy voting policies and procedures, which requires investment advisers to describe their voting policy and to act in their clients' best interest in voting proxies for any voting securities or delegating the right to vote such securities to other parties. Efficient will vote each proxy in accordance with its fiduciary duty, and generally in a way that is consistent with maximizing the value of Clients' assets, as Efficient determines. Efficient has adopted policies and procedures to ensure that proxies are properly identified and voted and that any conflicts of interest are addressed appropriately.

Notwithstanding the foregoing, given the Programs invested in by its Clients (which focus on managed futures, not securities), Efficient does not expect that its Clients will regularly hold voting securities. For Clients that do hold voting securities, if any, Efficient intends as a general matter to cause its Clients to delegate the right to vote proxies to the Advisors managing such securities, where practicable and except as otherwise agreed with the Client. In particular, for any proxies arising from securities held in a Client's cash management accounts, Efficient has delegated the right to vote such proxies to the Cash Manager or the cash account's custodian, except as otherwise agreed. Efficient's current Cash Manager, BMO Asset Management Corp., is also an SEC-registered investment adviser and maintains its own proxy voting policies and procedures. Efficient intends to periodically request a record of the voting from the Cash Manager or, if relevant, other Advisors, for the purpose of monitoring for any apparent conflicts of interest related to such voting.

A copy of Efficient's proxy voting policies and procedures are made available upon receipt of a request sent to Efficient's Chief Compliance Officer at compliance@efficient.com.

ITEM 18. FINANCIAL INFORMATION

Items 18 A., B. and C. are not applicable to Efficient.