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Signition LP  
Part 2A of Form ADV  
The Brochure

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This brochure provides information about the qualifications and business practices of Signition LP. If you have any questions about the contents of this brochure, please contact Jeffrey Sarrett at 212.610.2796. 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 Signition LP is also available on the SEC's website at: [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

Signition LP ("Signition") is registered as an investment adviser with the United States Securities and Exchange Commission ("SEC") under the Investment Advisers Act of 1940 (the "Advisers Act"). Registration as an investment adviser with the SEC does not imply a certain level of skill or training. In addition, the information in this Brochure has not been approved or verified by the SEC or by any state securities authority.

## **Item 2: Material Changes**

Not applicable.

## **Item 3: Table of Contents**

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## Item 4: Advisory Business

Signition is an independent investment manager formed under the laws of the state of Delaware as a limited partnership on April 14, 2015. Signition is controlled by its General Partner, GSR Partners LLC, a Delaware limited liability company, which in turn is controlled by its Principals, Shane Haas, Ravi Chander, and George Zweig. As of the date of this brochure, Signition is 33% owned by each of MU LLP, Modulo One, LP, and Drala One, LP, family partnerships.

Signition serves as investment adviser and provides discretionary advisory services to private pooled investment vehicles intended for institutional investors and other sophisticated investors. Currently Signition provides investment advisory services to Signition Exponential Master Fund Ltd (the “Master Fund”), Signition Exponential Fund LP (the “Domestic Fund”) and Signition Exponential Offshore Feeder Fund Ltd (the “Offshore Fund”) (collectively the “Funds”). The Funds are organized in a “master-feeder” structure with the Domestic Fund and the Offshore Fund (the “Feeder Funds”) fully invested in the Master Fund. The Master Fund and Offshore Fund are both organized as a Cayman Islands exempted company. The Domestic Fund is organized as a Delaware limited partnership.

Signition does not provide investment advice to individual investors in the Funds. Rather, Signition provides investment advice to the Funds. Signition may elect to manage separate accounts for individual or institutional clients in the future. Signition does not provide management on any non-discretionary basis.

The Funds are private investment funds that are offered to financially sophisticated individual and institutional investors. In providing such services to the Funds, Signition formulates its investment objective, and directs and manages the investment and reinvestment of each Fund’s assets. Investment advice is provided directly to each Fund and not individually to the investors in any Fund. Signition manages the assets of each Fund in accordance with the terms of the governing documents applicable to each Fund.

Interests in the Funds are not registered under the U.S. Securities Act of 1933, as amended (the “Securities Act”), and the Funds are not registered under the Investment Company Act of 1940, as amended (the “Investment Company Act”). Accordingly, interests in the Funds are offered and sold exclusively to investors satisfying the applicable eligibility and suitability requirements of private transactions within the United States.

The Funds seek to provide risk-adjusted returns by systematically investing in a diversified, generally market-neutral portfolio of liquid, listed equity securities with a significant portion of its assets traded in emerging markets. Signition’s investment strategy is set forth more fully in each Fund’s governing documents.

From time to time, the Funds may, to the extent permitted by the Rules of the U.S. Financial Industry Regulatory Authority (“FINRA”) as may be amended from time to time (the “Rules”), purchase equity securities that are part of an initial public offering (sometimes referred to as “IPOs” or “new issues”). Under the Rules, brokers may not sell such securities to a private investment fund, if the fund has investors who are “Restricted Persons”, which category includes persons

employed by or affiliated with a broker and portfolio managers of hedge funds and other registered and unregistered investment advisory firms, unless the fund has a mechanism in place that excludes such Restricted Persons from receiving allocations of profits from new issues. The profits and losses with respect to new issues will generally be allocated to investors in the Fund that are Unrestricted Persons.

As of the date of this Brochure, Signition has \$151,459,000 under management.

## **Item 5: Fees and Compensation**

Signition typically receives a Management Fee of 1.75% per annum paid monthly in advance based on the net assets of the Founders share class of each Fund (without accrual of the incentive allocation) as of the first day of the month.

Furthermore, any prepaid but unearned Management Fee will be refunded to an investor in the applicable Fund. Signition generally determines the amount of the relevant refund on a pro rata basis, based upon the portion of the relevant period during which it provided services.

In addition to the Management Fee, the Funds pay an Incentive Allocation dependent on share class which is typically 20% (or 25% subject to a hurdle amount) of the net profits subject to a high watermark. The Incentive Allocation is payable as of the end of each Fund's fiscal quarter or as of an investor's redemption date.

Incentive Allocation arrangements may create an incentive for Signition to make investments on behalf of the Funds that are riskier or more speculative than would be the case in the absence of such compensation. In addition, calculation of Incentive Allocation earned is, in part, based on unrealized gains that may never materialize.

In addition to Signition's fees, investors will bear indirectly the fees and expenses charged to the Funds. Each Fund sets forth its specific fee structure (including how it charges fees) along with the additional operational expenses in its governing documents. Fees and expenses that are typically borne by a Fund generally include, without limitation, expenses of organizing the Fund, fees payable to Signition, the Fund's legal, accounting, administrative expenses; auditing, tax preparation and other professional expenses; insurance expenses (on behalf of the Directors and the principals, partners, officers and employees of Signition); legal expenses incurred by Signition, the General Partner or their affiliates in connection with the operation of the Fund; research and market data expenses incurred by Signition on behalf of the Fund; the transaction expenses described above; filing fees and expenses; expenses related to custodial fees and bank services fees; the costs of creating and distributing periodic and annual reports and statements or other information provided to the Limited Partners and expenses related to the ongoing offering of the Interests (including the costs of producing and distributing offering memoranda and other marketing materials); regulatory and compliance expenses of the Fund and Signition (such as those expenses relating to regulatory filings, including Form PF, and related software, blue sky expenses and expenses related to Signition's registration under, and compliance with, each of the Advisers Act and the Commodities Exchange Act); investment research and research-related expenses, expenses relating to trading and portfolio management and risk systems and services including software, information technology, news, quotation, statistics and pricing services; and expenses relating to middle-office services or back-office support services provided by the Fund Administrator or another party and related connectivity expenses, brokerage commissions, spreads, mark-ups on securities, swaps and forwards, short dividends, currency hedging costs, interest expenses in respect of margin accounts and financing expenses, exchange fees and other transaction fees and costs in connection with its investments and trading, including all of the commissions, fees and expenses charged by the prime brokers.

The brokerage fees and expenses are also discussed in more detail in Item 12 “Brokerage Practices” below. The Funds are organized in a “master-feeder” structure, so the Feeder Funds will bear a pro-rata share of the expenses associated with the Master Fund. Investors should review all fees charged by Signition and its affiliates, custodians and brokers and others to fully understand the total amount of fees to be paid. Fees and expenses paid to third parties in connection with the acquisition or disposition of investments are borne by the Funds.

Notwithstanding the general fee structure described above, Signition may negotiate different fee structures with certain investors. Such negotiations and agreements are governed by separate agreements commonly referred to as “side letters”. The side letter provisions, which are not found in the Funds’ organizational or offering documents, entitle certain investors to different terms and conditions related to fees, reporting, liquidity, and notifications, among other terms. Signition reserves the right, but does not have the obligation, to negotiate or waive fees as well as other investor terms and conditions.

If for any reason an investor wishes to redeem from the Funds, the investor must provide prior written notice in accordance with the terms of governing documents of the relevant Fund.

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

As described in the Fees and Compensation section of this Brochure, the Funds pay an Incentive Allocation which is based on a share of gains on, income from, or appreciation of the Funds' assets.

Incentive Allocation arrangements may create an incentive for Signition to make investments on behalf of the Funds that are riskier or more speculative than would be the case in the absence of such compensation. In addition, calculation of Incentive Allocation earned is, in part, based on unrealized gains that may never materialize.

Signition currently only manages the Master Fund with its underlying Feeder Funds. All investments are held by the Master Fund. Therefore, conflicts of interests related to side-by-side management do not currently apply to Signition.

## **Item 7: Types of Clients**

Signition's clients are the Funds, which are unregistered pooled investment vehicles. The Funds consist of a Delaware limited partnership and two Cayman Islands exempted companies which Signition and its related parties control. Although Signition is a registered investment adviser, the Funds rely on rules promulgated under the United States federal securities laws that exempt privately offered investment vehicles from registering as investment companies.

Investment in the Funds is limited to investors that meet certain financial sophistication requirements. Investors in the Funds must be (i) "accredited investors" within the meaning of Regulation D under the Securities Act of 1933, as amended; and (ii) "qualified purchasers" within the meaning of the Investment Company Act of 1940, as amended. Prospective investors may be required to meet additional suitability requirements. Investors considering investment in the Funds should consult with their own investment, tax and/or legal consultants prior to investing.

The minimum subscription that will be accepted from a new investor in either of the Feeder Funds is \$2,000,000, with any amount in excess thereof to be subscribed in increments of \$1,000,000. The general partner or directors of each Fund, in their sole discretion, may waive or reduce these minimums.

Signition does not currently manage any separate accounts, but Signition may, without notice, elect to manage separate accounts for individual or institutional clients. Such separate accounts may have investment objectives or may implement investment strategies that are identical or substantially similar to the Funds. Accordingly, these clients may co-invest in many of the same securities and issues.

### **Alternative Investment Vehicles**

Alternative investment vehicles may be used whenever Signition determines in good faith that for legal, tax, regulatory or other reasons it is in the best interests of any or all of its investors that all or any portion of a particular investment be made through an investment structure outside of such Fund. Participants in such investments are generally required to make all or a portion of their investments through such alternative investment vehicle, which invests on a parallel basis with or in lieu of the applicable Fund, and are required to make capital contributions directly to each such alternative investment vehicle to the same extent, for the same purposes and on the same terms and conditions as investors are typically required to make capital contributions to such Fund. Each such investor has the same economic interest in all material respects in the investment made through an alternative investment vehicle as such investors would have if such investment had been made solely by the applicable Fund, and the other terms of such alternative investment vehicle are generally substantially identical in all material respects to those of such Fund, to the extent applicable.

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

Signition seeks to employ multiple proprietary quantitative-based systematic strategies across the markets in which the Master Fund will invest. The Master Fund will primarily invest in equities and equities-related instruments, including total return swaps, exchange-traded funds, stock options and futures, and index options and futures. Signition may invest in issuers in any market, sector or market capitalization and expects that the Master Fund will typically hold several thousand positions.

All investing involves a risk of loss and the investment strategy offered by Signition could lose money over short or even long periods of time. An investment in the Funds may be deemed a speculative investment and is not intended as a complete investment program. It is designed for sophisticated investors who fully understand and are capable of bearing the risk of an investment in the Funds. No guarantee or representation is made that a Fund will achieve its investment objective or that investors will receive a return of their capital. Investors should review in detail the governing documents relating to each Fund prior to making an investment in the Funds.

Material risks relating to the investment strategy of the Funds include, but are not limited to, the following:

***Evolving and New Investment Approaches.*** Signition's investment approach and trading techniques and models are expected to evolve. Such changes may come as a result of changing market dynamics or as a result of Signition's research and development process. Signition will take an opportunistic approach to applying such new investment and trading processes to the Funds' investment program. Such changes may lead to the Funds' implementing strategies that involve different asset classes, geographies, exposure targets or underlying investment theses.

Signition may have limited experience in applying any new techniques, strategies, models and approaches developed by Signition and such new techniques, strategies, models and approaches may not be successful and may therefore lead to losses. Such new investment approaches may be subject to certain risk factors not described in this herein. In addition, the time and resources devoted to the implementation of new techniques, strategies, models and approaches may diminish the effectiveness of Signition's implementation of Signition's established techniques, strategies, models and approaches. No notice will be required to be given to investors when Signition implements changes to the Funds' investment program.

***Model Risk.*** The strategies and risk management techniques that Signition will employ will be highly dependent on quantitatively-based pricing theories and valuation models, which Signition will use to evaluate investment opportunities. These models generally seek to forecast future price changes based upon a limited number of factors and inputs. The forecasts generated by these models may differ substantially from actual future price realizations, resulting in losses. There can be no assurance that the models used by Signition on behalf of the Funds will be effective or that they will be effectively utilized by Signition. Moreover, there can be no assurance that Signition will be able to continue to develop, maintain and update the models so as to effectively implement the Funds' strategy.

The models used by Signition depend upon inputs from various sources and in the event such inputs are not accurate, losses may be incurred.

Signition anticipates the continued modification, enhancement and development of models. Each new generation of models (including incremental improvements to current models) may expose the Funds to the possibility of unforeseen losses from a variety of factors, including conceptual failures and implementation failures. Signition considers any such implementation failures, such as coding errors, to be an intrinsic aspect (and, therefore, a basic cost) of its sophisticated and highly technologically dependent trading, risk management and execution techniques.

***Obsolescence Risk.*** If the assumptions underlying Signition's models are inaccurate or become inaccurate, or are unrealistic or become unrealistic, and are not promptly adjusted, the Funds may incur losses or may underperform. If Signition's models do not reflect certain factors, and such omission is not addressed through testing, evaluation and modification of such models, the Funds may be subject to losses.

***Crowding/Convergence.*** There is significant competition among systematic and quantitatively focused managers, and the ability of Signition to achieve the Funds' investment objective is dependent on Signition's ability to employ models that are simultaneously profitable and differentiated from those employed by other managers. If Signition is not able to develop sufficiently differentiated models, the Funds' investment objective may not be met.

In addition, to the extent that Signition's models come to resemble those employed by other managers, the risk that a market disruption that negatively affects predictive models will adversely affect the Funds is increased, as such a disruption could accelerate reductions in liquidity or rapid repricing due to simultaneous trading across a number of funds in the marketplace.

***No Formal Diversification Policies.*** Although Signition will have a risk management framework relating to certain portfolio concentrations, Signition will not be formally restricted as to the percentage of the Funds' assets that may be exposed to any particular country, asset class, issuer, instrument, market or strategy. The Funds will not be subject to any formal requirements for diversifying its portfolio among geographies, asset classes, issuers, markets or other factors. The Funds' actual portfolio may become more concentrated than Signition's risk management framework would otherwise dictate due to market movements, and Signition may amend its internal risk management framework in its sole discretion and without providing any notice to the Limited Partners. Any concentrated position could ultimately result in significant losses to the Funds and a greater reduction in the Net Asset Value of the Funds than if the Funds were more diversified.

***No Material Restrictions.*** The Funds will opportunistically implement whatever strategies it believes from time to time may be best suited to prevailing market conditions and to Signition's investment approach. Such strategies may involve higher levels of risk than the ones discussed herein. There can be no assurance that Signition will be successful in applying any strategy to the Funds' investing.

***Arbitrage Strategies.*** The success of the arbitrage investment strategies that will be employed on behalf of the Funds depends, in part, on Signition's ability to exploit relative mispricings among

interrelated positions. Mispricings, even if correctly identified, may not converge within the time frame within which the Funds maintain positions and can result in significant losses if the arbitrage cannot be sustained. Such arbitrage investment strategies are subject to the risks of disruptions in historical price relationships, the restricted availability of credit and the obsolescence or inaccuracy of its proprietary trading models. Market disruptions may also force the Funds to close out its positions before it can capture gains or when its trades would result in losses. Such disruptions have in the past resulted in substantial losses for funds employing such strategies.

***Revised Regulatory Interpretations Could Make Certain Strategies Obsolete.*** In addition to proposed and actual regulatory and accounting changes, there have recently been certain well publicized incidents of regulators unexpectedly taking positions which prohibited strategies which had been implemented in a variety of formats for many years. In the current unsettled regulatory environment, it is impossible to predict if future regulatory developments might adversely affect the Funds.

***International Investing.*** Investing outside the United States may involve greater risks than investing in the United States. These risks include: (i) less publicly available information; (ii) varying levels of governmental regulation and supervision; and (iii) the difficulty of enforcing legal rights in a non-U.S. jurisdiction and uncertainties as to the status, interpretation and application of laws. Moreover, non-U.S. companies are generally not subject to uniform accounting, auditing and financial reporting standards, practices and requirements comparable to those applicable to United States companies.

Non-U.S. markets may also have different clearance and settlement procedures, and in certain markets there have been times when settlements have failed to keep pace with the volume of securities transactions, making it difficult to conduct such transactions. Delays in settlement could result in periods when assets of the Funds are uninvested and no return is earned thereon. The inability of the Funds to make intended security purchases due to settlement problems or the risk of intermediary counterparty failures could cause the Funds to miss investment opportunities. The inability to dispose of a security due to settlement problems could result either in losses to the Funds due to subsequent declines in the value of such security or, if the Funds have entered into a contract to sell the security, could result in possible liability to the purchaser. Transaction costs of buying and selling non-U.S. securities, including brokerage, tax and custody costs, also are generally higher than those involved in U.S. transactions. Furthermore, non-U.S. financial markets, while generally growing in volume, have, for the most part, substantially less volume than U.S. markets, and securities of many non-U.S. companies are less liquid and their prices more volatile than securities of comparable U.S. companies.

The economies of individual non-U.S. countries may also differ favorably or unfavorably from the U.S. economy in such respects as growth of gross domestic product, rate of inflation, volatility of currency exchange rates, depreciation, capital reinvestment, resources self-sufficiency and balance of payments position.

***Investments in Emerging Market Currencies and Securities Involve Substantial Risks.*** Signition expects that the Funds will have significant exposure to less developed countries or countries with new or developing capital markets that are considered to be “emerging markets”, as well as trade the currencies of such countries for hedging purposes. The value of emerging market currencies

and securities may be drastically affected by political developments in the country of issuance. In addition, the existing governments in the relevant countries could take actions that could have a negative impact on the Funds, including nationalization, expropriation, imposition of confiscatory taxation or regulation or imposition of withholding taxes on interest payments.

Some of the countries in which the Funds may invest have experienced, are experiencing or will experience political, economic and/or social instability. Many such countries have also experienced dramatic swings in the value of their national currency. There can be no assurance that such instability or such fluctuations will not occur in the future and, if they do occur, that they will not have a substantial adverse effect on the performance of the Funds.

The economies of many of the emerging market countries are still in the early stages of modern development and are subject to abrupt and unexpected change. In many cases, governments retain a high degree of direct control over the economy and may take actions having sudden and widespread effects. Also, many emerging market country economies have a high dependence on a small group of markets or even a single market.

Emerging market countries tend to have periods of high inflation and high interest rates as well as substantial volatility in interest rates, which could adversely affect any of the Funds' investments in such markets.

The instruments traded by the Funds in respect of emerging markets may lack a liquid trading market, which may result in the inability of the Funds to exit such positions, thereby forcing the Funds to incur losses.

Foreign investment in the emerging market countries is in some cases restricted. Many of these countries have non-convertible currencies and the value of investments may be affected by fluctuation in available currency rates and exchange control regulations. The remittance of profits may therefore be restricted, and the Funds may need to utilize swaps, participation agreements and other indirect investment techniques to access markets and remit profits. Moreover, the banking systems in these countries are not as developed as their developed counterparts and considerable delays may occur in the transfer of funds within, and the remittance of monies out of, these countries.

Certain emerging markets countries are particularly likely to require identifying information about entities and persons who have direct, or even indirect, exposure to the securities of issuers in those countries. This may result in the Funds being asked to provide information about investors to emerging markets regulators or to the brokers who are providing services to the Funds in connection with investing activities. Such information may include, but may not be limited to, the identities, addresses and countries of origin of the Limited Partners.

***Holding Period of Investment Positions.*** Signition typically does not know the maximum — or, often, even the expected (as opposed to optimal) — duration of any particular position at the time of initiation (except in the case of certain options or derivatives positions which have pre-established expiration dates). The length of time for which a position is maintained varies significantly, typically based on the trading model's results of the appropriate point at which to liquidate a position so as to augment gains or reduce losses.

***Importance of Individual Judgment.*** While the Funds' trading will be implemented systematically, Signition's personnel will oversee the overall investment approach, the allocation of capital among markets and strategies and the ongoing maintenance and development of Signition's models. Therefore, the individual judgment and discretion of Signition's personnel are fundamental to the implementation of the Funds' strategies. There can be no assurance that such individual judgment will be accurate, achieve profits or avoid losses.

***Reliance on Corporate Management and Financial Reporting.*** Signition's models may rely on the financial information made available by the issuers in which the Funds invests or will invest. Signition has no ability to independently verify the financial information disseminated by the numerous issuers in which the Funds may invest and is dependent upon the integrity of both the management of these issuers and the financial reporting process in general. Corporate mismanagement, fraud and accounting irregularities relating to the Funds' positions may result in material losses. Equity prices are particularly vulnerable to corporate mismanagement

***Computer Hardware and Software.*** Components of Signition's critical computer hardware and software may have flaws, may not be redundant, may be leased rather than owned, or may be provided in whole or in part by another party. Should these components fail or be inaccessible, there is no certainty that Signition will be able to recover promptly and the Funds' trading performance may suffer materially as a result.

***Development and Implementation of Systems.*** The use of Systems involves special risks, both in the development of the Systems and in their implementation. The accuracy of the trading signals produced by the Systems is dependent on a number of factors, including without limitation the analytical and mathematical foundation of the Systems, the accurate incorporation of such principles in a complex technical and coding environment, the quality of the data introduced into the Systems and the successful deployment of the Systems' output into the investment process.

Although Signition intends to use good faith efforts to carry out the development and implementation of its Systems correctly and effectively and will conduct initial live testing of newly developed Systems and certain changes to existing Systems in a proprietary incubation account before trading such Systems or deploying such changes on behalf of a Fund, there can be no assurance that it will successfully do so. Errors may occur in designing, writing, testing, monitoring and/or implementing such calculations and programs, including errors in the manner in which such calculations and programs function together. Such errors may result in, among other things, the execution of unanticipated trades, the failure to execute anticipated trades, the failure to properly gather and organize available data, and/or the failure to take certain hedging or risk reducing actions. These errors, including errors that appear in software codes from time to time, may be difficult to detect, may not be detected for long periods of time, or may never be detected. Even if an error is detected, Signition may or may not be able to correct the error before material losses are incurred, may not be successful in correcting the error, or may determine not to correct the error at all. The degradation or impact caused by errors may be compounded over time. Such errors could, at any time, have a material adverse effect on the performance of a Fund. These errors generally will not be reimbursable by Signition to a Fund. See "Brokerage Practices" under Item 12 below for a discussion of the Funds' responsibility for these and other errors.

Signition has developed certain guidelines that seek to ensure that Systems are appropriately developed, adapted, calibrated, and configured, and seeks to reduce the incidence of software errors by internal testing. As part of this process, Signition will test new Systems utilizing proprietary capital prior to a Fund trading such Systems. Nonetheless, software development and implementation errors and other types of System or human errors are an inherent risk of employing complex quantitatively-based Systems in investment and trading processes. Systems may operate or be operated erroneously, and the interactions among Systems may make it difficult to detect the source of any weakness or failure in such Systems before material losses are incurred. For example, it may be difficult or impossible to distinguish unexpected trading results due to market activity from unexpected trading results due to an error in the applicable calculation or Systems. The mathematical calculations and Systems utilized by Signition are subject to inherent limitations and, like all approaches to investing, are almost always susceptible to being improved upon as experience is gained, strategies are refined, and markets change.

***Business Continuity and Cybersecurity Risk*** - We have adopted a business continuation strategy to maintain critical functions in the event of a partial or total building outage affecting our offices or a technical problem affecting applications, data centers or networks. The recovery strategies are designed to limit the impact on clients from any business interruption or disaster. Nevertheless, our ability to conduct business may be curtailed by a disruption in the infrastructure that supports our operations and the regions in which our offices are located. In addition, our asset management activities may be adversely impacted if certain service providers to Signition or our clients fail to perform. In addition, with the increased use of technologies such as the Internet to conduct business, your portfolio could be susceptible to operational, information security and related risks. In general, cyber incidents can result from deliberate attacks or unintentional events. Cyber security failures or breaches by a third party service provider and the issuers of securities in which the portfolio invests, have the ability to cause disruptions and impact business operations, potentially resulting in financial losses, the inability to transact business, and violations of applicable privacy and other laws.

## **Item 9: Disciplinary Information**

Signition, its General Partner, its Principals, Signition's officers and its employees have not been involved in any legal or disciplinary events in the past 10 years that would be material to a client's evaluation of Signition's advisory business or the integrity of Signition's management of the Partnership or of other Funds.

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

Except as set forth below, Signition and its employees do not have any relationships or arrangements with other financial services companies that pose material conflicts of interest.

Signition Funds GP LLC is an affiliate of Signition that serves as the General Partner to the Onshore Fund. Signition Funds GP LLC also receives the Incentive Allocation from the Funds, if any.

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

Signition has developed and implemented a Code of Ethics (the “Code”) which sets forth standards of conduct that are expected of Signition principals and employees and addresses conflicts that arise from personal trading. The Code requires that Signition and its employees comply with their regulatory requirements, meet the fiduciary obligations to the Funds and adhere to sound business ethics and principles. Each of Signition’s employees must acknowledge their receipt of the Code, their understanding of the provisions contained in the Code, and their agreement to abide by the principles, policies and procedures set forth in the Code.

Signition’s Code addresses, among other things:

- Identification and handling of material non-public information;
- Prevention of insider trading; and
- Reporting and pre-clearance of:
  - personal securities transactions and holdings;
  - political contributions; and
  - outside business activities

Signition has adopted employee personal trade reporting and monitoring procedures. Signition’s Code and personal trading policies prohibit Signition’s employees from buying and selling or selling and buying the same security within 30 calendar days. In addition, Signition’s Code requires, among other things, that employees:

- Act within an ethical manner with the public, investors, prospective clients and investors;
- Place the interests of the Funds above their own personal interests;
- Not take inappropriate advantage of their position;
- Attempt to avoid actual or potential material conflicts of interest;
- Use reasonable care and exercise independent professional judgment when conducting investment analysis, making investment recommendations, taking investment actions, and engaging in other professional activities; and
- Comply with applicable provisions of the federal securities laws.

Employees are required to disclose all outside business activities. In the event an outside business activity presents a material conflict of interest with the Funds, Signition reserves the right to restrict these outside business activities.

Generally, employees may not purchase or sell securities that also recommended to clients, and must seek pre-approval from the CCO as outlined in the Code of Ethics. Employees are limited to purchasing money market funds, exchange traded funds and mutual funds, however they may open a managed account with a third party manager as long as the employee has no control over or advance knowledge of the investment decision making. Sales of existing positions may be permitted as long as the employee has received prior approval from the CCO.

A copy of Signition's Code of Ethics is available upon request by contacting Signition's CCO and Jeffrey Sarrett, [JSarrett@Signition.com](mailto:JSarrett@Signition.com), 212.261.2794.

## Item 12: Brokerage Practices

Signition will have full investment discretion with respect to the initiation of all portfolio securities transactions for the Funds as well as full authority to select broker-dealers to execute such transactions. The Funds have retained Prime Brokers will have certain administrative responsibilities, including the issuance of account statements and information with respect to securities transactions effected through other broker-dealers. The Prime Brokers will be allocated a portion of the Funds' securities transactions, subject to principles of best execution. Signition intends to utilize a number of broker-dealers, in addition to the Prime Brokers, to effect transactions for the Funds. Broker-dealers will be selected based upon the amount of commission, quality of execution, expertise in particular markets, the reputation, experience and financial stability of the broker dealer involved and the quality of service, familiarity both with investment practices generally and the techniques employed by the Funds, research and analytic services and clearing and settlement capabilities, and other factors subject at all times to principles of best execution. Signition may in its discretion change its selection of prime brokers for the Funds.

Signition, as a matter of policy, does not affect soft dollar transactions and does not enter into soft dollar arrangements in respect of transactions for any Funds. If Signition determines to do so, it will endeavor to do so within the "safe harbor" provided by Section 28(e) of the Exchange Act. While Signition receives proprietary research from certain brokerage firms, it does not take the value of such research into account in selecting brokers. In addition, Signition maintains a gift policy which requires the reporting and/or pre-approval of certain gifts, travel and entertainment received by Employees in order for such gifts, travel and entertainment to be reviewed by compliance personnel for any appearance of, or actual, conflicts of interest.

Signition may also direct some brokerage business to brokers who refer prospective investors to Signition. Because such referrals, if any, are likely to benefit Signition but will provide an insignificant (if any) benefit to Fund investors, Signition will have a conflict of interest with the Funds when allocating brokerage business to a broker who has referred investors to Signition. Signition believes that the risk of this conflict is mitigated by its internal best execution procedures, including its quarterly brokerage execution meetings. To prevent brokerage commissions from being used to pay investor referral fees, Signition will not allocate brokerage business to a referring broker unless Signition determines in good faith that the commissions payable to such broker are reasonable in relation to those available from non-referring brokers offering services of substantially equal value to Signition.

Signition from time to time may participate in certain "capital introduction" programs organized or sponsored by certain prime or executing brokers to the Funds of such prime or executing brokers, which programs may include the prime or executing brokers or their affiliates introducing Signition to potential investors with which the prime or executing broker or its affiliate have a pre-existing relationship. Currently, neither Signition nor the Funds compensate prime or executing brokers or their affiliates for organizing such programs or making such introductions or for any investments ultimately made by such prospective investors (although either may do so in the future). While such programs and introductions provided by a prime or executing broker or its affiliates may provide an incentive or influence Signition in deciding whether to use such prime or executing broker in connection with brokerage, financing, trade execution and other activities

of the Funds, Signition will not commit to allocate a particular amount of brokerage to a prime or executing broker in any such situation.

As discussed under Item 6 “Performance Based Fees and Side-by-Side Management” above Signition currently only manages the Master Fund with its underlying Feeder Funds. All trades are executed at the Master Fund level. Therefore, issues related to cross trades, trade allocation and trade aggregation do not apply at this time.

It is Signition’s policy to correct trading errors as soon as practicable. The Funds’ governing documents shall govern the treatment of trade errors committed by Signition. Absent any specific trade error policies and procedures in the Fund’s governing documents, it shall be Signition’s policy to reimburse the Funds for any trade errors that are committed by Signition as a result of gross negligence.

## **Item 13: Review of Accounts**

Portfolio holdings of client accounts are generally monitored on a continuous basis by the CCO, CFO and investment personnel in light of investment objective, trading activity, significant corporate developments and other activities which may dictate a change in portfolio positions.

Within 120 days following the end of each fiscal year, each investor in a Fund will be provided with audited financial information with respect to the performance of such Fund, as well as information regarding the status of the investor's capital account and certain tax reporting information. Each investor will also receive regular communications not less frequently than monthly.

Each Fund may offer certain investors additional information and reporting that other investors may not receive. Further, certain Fund investors may be entitled to receive information with respect to their investments and accounts more frequently than as discussed above.

Signition and certain of the Funds' service providers often use email addresses provided by investors for communication purposes. Among other things, these communications may include required disclosures. Any investor, who wishes to receive communications by mail, rather than by email, should notify Signition in writing.

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

The General Partner of the Onshore Fund may, but typically does not, engage non-affiliated marketing consultants and agents. As part of these agreements, and in accordance with applicable regulation, the consultants and/or agents may be paid a fee related to the amount of capital raised for each Fund. The Funds are not responsible for the payment of such fees.

## **Item 15: Custody**

To the extent possible, all Fund assets are held in custody by unaffiliated broker/dealers or banks. Signition is deemed to have custody of the Funds' assets because of Signition's affiliation to the General Partner of the Onshore Fund and the General Partner's authority over the Onshore Fund's assets. Fund investors will not receive statements from the custodian(s). Instead, the Funds are subject to an annual audit by independent certified public accountants and the audited financial statements are distributed to each investor within 120 days of the Funds' fiscal year end. The audited financial statements are prepared in accordance with generally accepted accounting principles ("GAAP").

## **Item 16: Investment Discretion**

The Funds' governing documents authorize Signition to use a broad range of investment vehicles and strategies with very few, if any, limitations. For a complete explanation of Signition's trading and portfolio management authority please request a copy of the Funds' governing documents.

## **Item 17: Voting Client Securities**

Notwithstanding Signition's discretionary authority to make investment decisions on behalf of the client, Signition will not exercise proxy-voting authority over clients' securities. Signition does not handle the voting of securities for clients. The voting of all securities resides with the client.

### ***Class Actions***

Signition generally does not expect to participate in any class actions. However, Signition reserves the right to direct the Funds' participation in such class actions on a case by case basis. Additionally, Signition generally does not expect to serve as the lead plaintiff in any class actions because the costs of such participation typically exceed any extra benefits to its Clients

## **Item 18: Financial Information**

Signition has never filed for bankruptcy and is not aware of any financial condition that is expected to affect its ability to manage client accounts.