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## Firm Brochure | Part 2A Form ADV

December 14, 2020

### ITEM 1 -- Cover Page

This brochure provides information about the qualifications and business practices of Phaeacian Partners LLC. If you have any questions about the contents of this brochure, please contact us at 011 44 20 72272700 or [boura@polarcapital.co.uk](mailto:boura@polarcapital.co.uk). 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. Phaeacian Partners LLC is registered as an investment adviser with the SEC. Registration as an investment adviser with the SEC does not imply that the adviser possesses a certain level of skill or training. Additional information about Phaeacian Partners LLC also is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

## ITEM 2 -- Material Changes

In Item 2, an investment adviser making annual amendments to its Brochure is to identify and discuss material changes, if any, from its last annual updating amendment.

Phaeacian Partners LLC's initial registration filing was March 5, 2020. This amendment reflects a change in address.

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#### ITEM 4 -- Advisory Business

- A. Firm Description. Phaeacian Partners LLC (“Phaeacian Partners”) is an investment management firm located in El Segundo, California. Phaeacian Partners is a joint venture between founding partners Greg Herr and Pierre Py, and Polar Capital Holdings PLC. Phaeacian Partners is a separate entity with a separate brand from Polar Capital but the firm is closely aligned with the economics and culture of Polar Capital. Polar Capital provides global operational support and distribution capabilities to Phaeacian Partners.

Phaeacian Partners is a limited liability company formed under the laws of Delaware. It is a subsidiary of Phaeacian Partners Holdings LP, a Delaware limited partnership. Phaeacian Partners GP LLC is the General Partner of Phaeacian Partners Holdings LP. Pierre O. Py and Gregory A. Herr are the sole members of Phaeacian Partners GP LLC. Polar Capital Holdings LLC, a Delaware limited liability company, is a limited partner of Phaeacian Partners Holdings LP. Polar Capital Holdings LLC is a subsidiary of Polar Capital (America) Corporation, a Delaware corporation, which is a subsidiary of Polar Capital US Holdings Limited, a Jersey corporation. Polar Capital US Holdings Limited is a subsidiary of Polar Capital Holdings PLC, a public company whose shares are listed on the London Stock Exchange. Phaeacian Partners is regulated by the U.S. Securities and Exchange Commission.

Polar Capital (America) Corporation also is registered as an investment adviser with the Securities and Exchange Commission (the “SEC”) under the Investment Advisers Act of 1940 (the “Advisers Act”). Another affiliate of Phaeacian Partners, Polar Capital LLP in London, England (“Polar Capital”), is also registered with the SEC as an investment adviser. Polar Capital provides support services to Phaeacian Partners. See Item 10.

- B. Advisory Services. Phaeacian Partners offers investment advisory services in certain investment strategies. Under its investment strategies, Phaeacian Partners is expected to provide investment advisory services to registered investment companies, private funds and separately managed institutional accounts, which separately managed accounts may include pension and profit sharing plans, charitable organizations, endowments, insurance companies, corporations, and state and municipal government entities (collectively, the “Phaeacian Funds and Accounts”).

Phaeacian Partners provides its investment advisory services in accordance with the specific investment objectives and restrictions of each client, in accordance with and subject to the directions, guidelines, and limitations imposed by the client through, as applicable, the investment management agreement, prospectus and statement of additional information, private placement memorandum, limited partnership agreement, and/or other governing documents.

Phaeacian Partners's investment discretion with respect to managing registered investment companies is also subject to the parameters provided by and oversight of the respective registered investment company's governing body (e.g., board of directors/trustees).

- C. Assets under Management. As of October 31, 2020, Phaeacian Partners has \$521,993,861 assets under management.

## ITEM 5 -- Fees and Compensation

Currently, Phaeacian Partners has no advisory clients. The following is a description of the anticipated compensation arrangements that Phaeacian Partners expects to enter into with its clients. Compensation earned by Phaeacian Partners for the provision of investment advisory services to its clients is primarily comprised of management fees based on a percentage of assets under management, as well as, in certain circumstances, performance-based compensation.

Performance-based compensation, if applicable, with respect to any Phaeacian Fund or Account, is generally expected to be calculated by a fund administrator. With respect to any separately managed account, performance-based compensation is expected generally to be calculated by the client and verified by Phaeacian Partners.

The following is a general description of the management fees typically charged and other compensation received by Phaeacian Partners for each type of client. Investors and clients should refer to the applicable offering and governing documents for the applicable Phaeacian Fund or Account for complete information on fees and compensation.

### Advisory Fees for Registered Investment Companies

In its capacity as investment manager to registered investment companies, Phaeacian Partners typically is expected to receive an investment management fee that ranges from 0.5% to 1.5% of the applicable client's net assets. All such fees and expenses are described in each registered investment company's prospectus and statement of additional information. Phaeacian Partners may charge performance-based fees with respect to registered investment company clients in the future.

Investment management fees and any additional compensation paid to Phaeacian Partners may be waived by Phaeacian Partners in its sole discretion, both voluntarily and on a negotiated basis with an investment company's Board or similar body, or a client's sponsor (though not with individual investors in any such registered investment company). Phaeacian Partners may receive additional compensation for any

administrative or other services provided to the registered investment companies as described in the respective registered investment company's offering documents.

### Advisory Fees for Separately Managed Accounts

The basic fee schedule for separately managed accounts is expected to typically range from 0.5% to 1.5% of assets under management depending on product, asset type, and size of account. In addition, certain separately managed accounts may be subject to a performance-based fee payable to Phaeacian Partners, which generally are expected to range from 5.0% to 25.0% of the appreciation in a client's capital balance during the year, which may be subject to various contingencies such as a hurdle rate or other conditions.

Fees are generally expected to be billed monthly or quarterly, in advance or in arrears, based on the market value of the account(s) as specified in the investment management agreement. In addition to securities, market values include cash, cash equivalents, accrued dividends and other income. If an account is opened or closed during a billing period, the advisory fees are expected to be pro-rated for that portion of the billing period during which the account was open. Phaeacian Partners may agree to certain fee reductions or waivers.

### Advisory Fees for Private Funds

In its capacity as investment manager to private funds, Phaeacian Partners typically is expected to receive an annual management fee, generally paid monthly or quarterly, in an amount generally ranging from 0.5% to 1.5%, depending on the investment strategy, of the net asset value of each investor's investment in the private fund.

In addition, Phaeacian Partners is expected to be entitled to receive from some private fund investors performance-based compensation (also known as an incentive allocation), which is generally expected to range from 5% to 25% of the appreciation in an investor's capital balance during the year, which may be subject to various contingencies such as a hurdle rate or other conditions. Such management fees and performance-based compensation are described in more detail in each client's offering documents.

Phaeacian Partners may waive all or a portion of the management fees and/or performance compensation due to Phaeacian Partners with respect to a private fund on an investor-by-investor basis.

In addition to the foregoing, the Phaeacian Funds and Accounts also incur brokerage, custodial, administration, audit and other costs and expenses, as described in the applicable prospectus or other offering document.

## ITEM 6 -- Performance-Based Fees and Side-By-Side Management

Phaeacian Partners is expected to manage multiple client accounts with different investment objectives and guidelines, and with different fee structures. Phaeacian Partners is expected to receive management fees for all clients. However, for certain clients, Phaeacian Partners is expected to receive both a management fee and performance-based compensation for its investment advisory services.

Performance-based fee arrangements may create an incentive for Phaeacian Partners to recommend investments which may be riskier or more speculative than those which would be recommended under a different fee arrangement. Performance-based fee arrangements may also create an incentive to favor higher fee paying accounts over other accounts in the devotion of time and resources and the allocation of investment opportunities. Phaeacian Partners addresses such conflicts through its policies and procedures incorporated in its Compliance Manual and Employee Handbook and its oversight processes. (See Items 11, 12 and 13.)

## ITEM 7 -- Types of Clients

Phaeacian Partners expects to provide its services to the Phaeacian Funds and Accounts, which will include registered investment companies, pooled investment vehicles and separately managed accounts, as described above in Item 4. Investors in the Phaeacian Funds and separately managed account clients are expected to include individuals, banking or thrift institutions, investment companies (including mutual funds), pension and profit-sharing plans, pooled investment vehicles (such as hedge funds), high net worth individuals, collateralized debt obligations, charitable organizations, trusts and estates, corporations and other business entities, and state or municipal government entities. Certain employees of Phaeacian Partners and its affiliates may invest in the Phaeacian Funds.

The Phaeacian Funds require investors to make representations concerning investors' eligibility, sophistication, awareness of the inherent risks and ability to bear the risk of loss of their entire investment. The Phaeacian Funds reserve the right to reject any investor application.

## ITEM 8 -- Methods of Analysis, Investment Strategies, and Risk of Loss

Phaeacian Partners employs various methods of securities analysis, including fundamental and quantitative investment modeling. Sources of information relevant to its analysis may include, but are not necessarily limited to, publically filed financial and reporting documents, such as annual and periodic reports and other filings with regulators and exchanges, investment conferences, interviews with company managements and

participation in public phone calls held by companies for investors and analysts, review of relevant trade journals, industry publications, investment banking and other investment industry research reports, industry trade conferences and other events, company press releases and websites, internal and external assessments, analysis of general and specific events and other sources of material deemed relevant.

No method of securities analysis will necessarily result in a particular investment result or outcome; the use of investment tools cannot guarantee investment performance. Phaeacian Partners's methods of analysis involve inherent risk that any valuations, pricing inefficiencies or other opportunities identified may not materialize or have the anticipated impact. Prices of securities may not react as expected or predicted. Each method of analysis relies in varying degrees on external information which presents the risk that analysis may be compromised by inaccurate, incomplete, false, biased or misleading information. Securities prices may be affected by various factors, such as overall market movement or natural disasters, independent of the methodology used to select securities. Certain analytical techniques involve the use of mathematical models that are based on assumptions that may prove incorrect, unreasonable or incomplete.

Investment strategies used to implement investment decisions include, but are not limited to, Accent International Value, International Value, and Global Value.

**Accent International Value.** The strategy seeks to provide above-average capital appreciation over the long term while attempting to minimize the risk of capital loss.

The strategy is non-diversified and invests in a small selection of companies the portfolio manager believes are high quality and financially strong, and that have management teams that run the business well operationally and allocate capital in a way that builds share value over time. The strategy seeks to invest in these companies when their stock prices are significantly less than the portfolio manager's estimate of their intrinsic values per share.

The strategy primarily invests in equity securities of companies generally domiciled in jurisdictions outside of the United States and across a broad range of market capitalizations.

**International Value.** The strategy seeks to provide above-average capital appreciation over the long term while attempting to minimize the risk of capital loss.

The strategy typically invests in 30 to 60 companies the portfolio manager believes are high quality and financially strong, and that have management teams that run the business well operationally and allocate capital in a way that builds share value over time. The



strategy seeks to invest in these companies when their stock prices are less than the portfolio manager's estimate of their intrinsic values per share.

The strategy seeks to invest primarily in equity securities of companies domiciled in jurisdictions outside of the United States and typically with market capitalizations in excess of \$2 billion at the time of the initial purchase. Under normal circumstances, the strategy will invest no less than 80% of its total assets in equity securities. It typically holds less than 10% in cash or cash equivalents.

**Global Value.** The strategy seeks to provide above-average capital appreciation over the long term while attempting to minimize the risk of capital loss.

The strategy typically invests in 30 to 60 companies the portfolio managers believe are high quality and financially strong, and that have management teams that run the business well operationally and allocate capital in a way that builds share value over time. The strategy seeks to invest in these companies when their stock prices are less than the portfolio managers' estimate of their intrinsic values per share.

The strategy seeks to identify investment opportunities across markets globally, including both developed and emerging countries, and typically with market capitalizations in excess of \$2 billion at the time of the initial purchase. The strategy will maintain a minimum of 20% of assets invested in equity securities of companies domiciled in the United States, and a minimum of 20% of assets invested in equity securities of companies domiciled in jurisdictions outside of the United States. Under normal circumstances, the strategy will invest no less than 80% of its total assets in equity securities. It typically holds less than 10% in cash or cash equivalents.

Phaeacian Partners expects that it could launch new investment strategies at times including, but not limited to a Small and Mid-cap International Value strategy.

The strategies of the Phaeacian Funds and Accounts are disclosed in their prospectuses and related materials and reports to investors.

**Principal Investment Risks.** Phaeacian Partners's investment strategies involve various material risks, as outlined in the summary below. Certain risks may not apply to all strategies or apply to a material degree. Each investor in a Phaeacian Fund and each separately managed account client must read the applicable prospectus and related materials for further information on the risks associated with the particular Phaeacian Fund or Account.

**Risk of Loss.** Investing in securities involves risk of loss, including possible loss of principal.

**Equity Market Risk.** Equity securities, such as common stocks, preferred stocks, convertible securities, rights, warrants and depositary receipts are subject to market risks that may cause their prices to fluctuate over time. Historically the equity markets have moved in cycles and the value of a specific strategy's securities may fluctuate substantially from day to day, and during other periods of time.

**Foreign and Emerging Market Risk.** Foreign securities involve risks in addition to those associated with U.S. securities, including exposure to less developed or less efficient trading markets; social, political, or economic instability; fluctuations in foreign currencies; nationalizations or expropriation of assets; settlement, custodial or other operational risks; and less stringent auditing and legal standards. As a result, foreign securities can fluctuate more widely in price, and may also be less liquid, than comparable U.S. securities, and foreign markets can perform differently than U.S. markets. World markets may all react in similar fashion to important economic or political developments. Investing in emerging market countries involves additional risks such as increased volatility of individual securities and the markets themselves, along with less liquidity than securities of issuers in countries with more developed economies or markets.

**Market Capitalization Risk. (Small-, Mid- and Large-Cap Stocks Risk).** Small-, mid-, or large-cap stocks, each have associated risks. Compared to small- and mid-cap companies, large-cap companies may be less responsive to changes and opportunities. At times, the stocks of larger companies may lag other types of stocks in performance. The stocks of small- and mid-cap companies are often more volatile and less liquid than the stocks of larger companies and may be more affected than other types of stocks by the underperformance of a sector or during market downturns. Compared to large-cap companies, small and mid-cap companies may have a shorter history of operations, and may have limited product lines, markets or financial resources.

**Issuer Specific Risk.** The value of an individual security or particular type of security can be more volatile than the market as a whole and can perform differently from the value of the market as a whole.

**Sector Risk.** Performance of investments in particular sectors will be especially sensitive to developments that significantly affect those sectors. Individual sectors may move up and down more than the broader market. The several industries that constitute a sector may all react in the same way to economic, political or regulatory events.

**Value Stock Risk.** Value stocks may remain undervalued during a given period or may not ever realize their full value. This may happen, among other reasons, because of a failure to anticipate which stocks or industries would benefit from changing market or economic conditions.

**Illiquidity Risk.** A strategy may hold securities that are illiquid and cannot be transferred or redeemed for a substantial period of time, and there may be little or no near-term cash flow available to investors in the interim. Likewise, a portfolio may not receive any distributions representing the return of capital on an illiquid security for an indefinite period of time.

**Brokerage Commissions/Transactions Costs/High Portfolio Turnover Risk.** A high portfolio turnover rate increases transaction costs, including brokerage commissions and dealer cost). Additionally, there is the risk that a broker may become insolvent, which could lead to a lower return and adversely impact the strategy's performance. Further, higher portfolio turnover may result in the realization of more short-term capital gains than a lower portfolio turnover.

**Concentration of Investments.** A high percentage of investment in the assets in any one issuer could increase the risk of loss and volatility, because the value of issue holdings would be more susceptible to adverse events affecting the issuer.

**Investment Strategy and Portfolio Management Risk.** There can be no assurance that an investment strategy will produce an intended result, which would result in losses to an investor, including, potentially, a complete loss of principal. The performance of a strategy depends on the skill of Phaeacian Partners and its portfolio manager(s) in making appropriate investment decisions.

**Cybersecurity Risk.** Phaeacian Partners and its service providers' ability to transact with a Phaeacian Fund or separately managed account (and a Phaeacian Fund investor or separately managed account client's ability to transact with Phaeacian Partners), may be negatively impacted due to operational matters arising from, among other problems, human errors, systems and technology disruptions or failures, or cybersecurity incidents. Cybersecurity incidents may allow an unauthorized person to gain access to assets, customer data, or proprietary information, or cause a Phaeacian Fund or Account or its service providers, as well as the securities trading venues and their service providers, to suffer data corruption or lose operational functionality. A cybersecurity incident could, among other things, result in the loss or theft of data or funds, investors, clients or employees being unable to access electronic systems ("denial of services"), loss or theft of proprietary information or corporate data, physical damage to a computer or network system, or remediation costs associated with system repairs. Any of these results could have a substantial adverse impact on the Phaeacian Funds and Accounts.

The occurrence of any of these problems could result in a loss of information, regulatory scrutiny, reputational damage and other consequences, any of which could have a material adverse effect on the Phaeacian Funds and Accounts. Phaeacian Partners, through its monitoring and oversight of service providers, endeavors to determine that

service providers take appropriate precautions to avoid and mitigate risks that could lead to such problems. While Phaeacian Partners has established business continuity plans and risk management systems seeking to address these problems, there are inherent limitations in such plans and systems, and it is not possible for Phaeacian Partners or other service providers to identify all of the cybersecurity or other operational risks that may affect the Phaeacian Funds and Accounts or to develop processes and controls to completely eliminate or mitigate their occurrence or effects. Most issuers in which the Phaeacian Funds and Accounts invest are heavily dependent on computers for data storage and operations, and require ready access to the internet to conduct their business. Thus, cybersecurity incidents could also affect issuers of securities in which the Phaeacian Funds and Accounts invest, leading to significant loss of value.

**Fund Specific Risks.** The prospectus or other offering documentation of each Phaeacian Fund contains explanation and details of risks which investors must read and consider.

#### ITEM 9 -- Disciplinary Information

As of the date of this Brochure, there are no legal or disciplinary actions involving Phaeacian Partners or any of its affiliates.

#### ITEM 10 -- Other Financial Industry Activities and Affiliations

Phaeacian Partners through its affiliate, Polar Capital has appointed a Registered Representative. Foreside Financial Services, LLC, a registered broker-dealers has been appointed as the Supervising Representative and Phaeacian Funds are offered through Foreside Financial Services, LLC. Phaeacian and Foreside are not affiliated.

Phaeacian Partners and its management persons are not registered as, and do not have any application to register as, futures commission merchants, commodity pool operators, commodity trading advisors or associated persons of the foregoing entities

Phaeacian Partners and its affiliates may recommend that investors in a Phaeacian Fund consider investing in other funds managed by Phaeacian Partners or its affiliates, and in which Phaeacian Partners or its affiliates have a financial interest by virtue of serving as investment manager and promoter. However, Phaeacian Partners and its affiliates do not receive commissions for the sale of shares or interests of the Phaeacian Funds or such affiliate-managed funds.

Phaeacian Partners's relationship with its ultimate parent, Polar Capital Holdings PLC, is material to its business because Polar Capital Holdings PLC and its affiliates, including Polar Capital, provide material administrative, technology, executive, operations, compliance, risk management and related support to Phaeacian Partners. Polar Capital's

Risk, Operations and Compliance Departments and its Risk Committee and Valuation Committee oversee certain of our activities (See Items 11, 12 and 13). Fees generated by Phaeacian Partners are expected to provide essential revenues to Polar Capital Holdings PLC, and Polar Capital Holdings PLC is a potential source of capital for Phaeacian Partners.

#### ITEM 11 -- Code of Ethics, Participation or Interest in Client Transactions and Personal Trading

A Code of Ethics as required under Rule 204A-1 of the Advisers Act (the “Code”). As an affiliate of Polar Capital, Phaeacian Partners is expected to adopt the Polar Capital Compliance Manual and Employee Handbook in connection with its registration as an investment adviser. The Code is incorporated within the Polar Capital Compliance Manual and Employee Handbook. The Compliance Manual and Employee Handbook include detailed requirements and policies and procedures required under the Advisers Act in addition to policies and procedures required by the U.K. Financial Conduct Authority, the primary regulator of Polar Capital.

All Phaeacian Partners employees are subject to policies and procedures pertaining to personal trading and trading while in possession of confidential or inside information, and reporting requirements with respect to personal trading. All employees are considered “Access Persons” under Rule 204A, and must provide written acknowledgement to Phaeacian Partners that they have read and understood the Code. Employees are required to submit securities holdings reports, quarterly transactions reports, and transaction pre-clearance requests to the Chief Compliance Officer.

Phaeacian Partners will provide a copy of the Code of Ethics to any current or prospective client or any current or prospective investor in the Phaeacian Funds upon request.

Securities in which Phaeacian Partners or a Related Person Has a Material Financial Interest.

#### **Cross Trades**

Subject to applicable law, rule or regulation, Phaeacian Partners may determine that it would be in the best interests of certain clients to transfer a security from one client to another (each such transfer, a “Cross Trade”) for a variety of reasons, including, without limitation, tax purposes, liquidity purposes, to rebalance the portfolios of the clients, or to reduce transaction costs that may arise in an open market transaction. If Phaeacian Partners decides to engage in a Cross Trade, Phaeacian Partners will determine that the trade is in the best interests of each client involved in it and take steps to ensure that the transaction is consistent with the duty to obtain best execution for each of those clients.

Phaeacian Partners generally will execute Cross Trades with the assistance of a broker-dealer who executes and books the transaction at the close of the market on the day of the transaction. Alternatively, a Cross Trade between two clients may occur as an “internal cross”, where Phaeacian Partners instructs the custodian for the clients to book the transaction at the price determined in accordance with Phaeacian Partners’s valuation policy. If Phaeacian Partners effects an internal cross, Phaeacian Partners will not receive any fee in connection with the completion of the transaction.

### **Principal Transactions**

Phaeacian Partners is not permitted to deal as principal; therefore, it cannot buy an investment from a client, sell an investment to a client or share in an aggregated transaction for a client.

### **Investing in Securities that Phaeacian Partners or a Related Person Recommends to Clients.**

The Code places restrictions on personal trades by employees, including that they disclose their personal securities holdings and transactions to Phaeacian Partners on a periodic basis, and requires that employees pre-clear certain types of personal securities transactions. Generally, and subject to certain exceptions, Phaeacian Partners’s employees may not engage in personal securities trading and may only dispose of securities held in their respective personal trading accounts. Any such disposition of securities must be pre-cleared. However, employees may purchase and sell mutual funds and broad-based exchange-traded funds (“ETFs”). Some clients may invest in the same or similar mutual funds and ETFs.

Phaeacian Partners, its affiliates and its employees may give advice or take action for their own accounts that may differ from, conflict with or be adverse to advice given or action taken for clients. These activities may adversely affect the prices and availability of other securities or instruments held by or potentially considered for one or more clients. Potential conflicts also may arise due to the fact that Phaeacian Partners and its personnel may have investments in some funds but not in others or may have different levels of investments in the various funds.

Phaeacian Partners will establish policies and procedures to monitor and resolve conflicts with respect to investment opportunities in a manner it deems fair and equitable, including the restrictions placed on personal trading in the Code, as described above, and regular monitoring of employee transactions and trading patterns for actual or perceived conflicts of interest, including those conflicts that may arise as a result of personal trades in the same or similar securities made at or about the same time as client trades.

Conflicts of Interest Created by Contemporaneous Trading.

Phaeacian Partners is expected to manage investments on behalf of a number of clients. Certain clients will have investment programs that are similar to or overlap and may, therefore, participate with each other in investments. It is the policy of Phaeacian Partners to allocate investment opportunities among all clients fairly, to the extent practical and in accordance with each client's applicable investment strategies, over a period of time. Phaeacian Partners will have no obligation to purchase or sell a security for, enter into a transaction on behalf of, or provide an investment opportunity to any client solely because Phaeacian Partners purchases or sells the same security for, enters into a transaction on behalf of, or provides an opportunity to any other client if, in its reasonable opinion, such security, transaction or investment opportunity does not appear to be suitable, practical or desirable for the client.

ITEM 12 -- Brokerage Practices

Broker Selection. Phaeacian Partners and its portfolio managers generally are expected to have discretion to select brokers for the Phaeacian Funds and Accounts. A number of factors are considered for the selection of brokers with the goal being best execution of orders. Phaeacian Partners will take into account all relevant factors, including: price, costs (implicit and explicit), size, speed, likelihood of execution, likelihood and timeliness of settlement, the nature of the order, conflict of interests in trading with the counterparty, willingness of the trading counterparty to use its balance sheet to trade, ability to retain anonymity in the market, and prevention of information leakage, and all these factors as a whole.

Research and Other Soft Dollar Benefits.

Phaeacian Partners intends to use "soft" or commission dollars to pay for expenses only to the extent that such expenses come within Section 28(e) of the Securities Exchange Act of 1934, as amended ("Section 28(e)"). Section 28(e) provides a "safe harbor" to investment managers that use commission dollars of their advised accounts to obtain investment research and brokerage services that provide lawful and appropriate assistance to the investment manager in performing investment decision-making responsibilities. Conduct outside of the safe harbor afforded by Section 28(e) is subject to the traditional standards of fiduciary duty under state and federal law. Items for which Phaeacian Partners may use soft dollars, and that fall within the safe harbor, include:

- research (including, without limitation, research seminars and similar programs (however, travel expenses, meals and hotel accommodations are not included));
- computer analyses of securities portfolios;

- analysis of economic factors and trends as well as political analysis; and
- third party research, provided that the broker is (i) contractually obligated to pay the provider of the service or products, or (ii) not directly obligated to pay the provider of the service or products, but pays such provider directly and assures itself that such payments are used only for eligible brokerage or research.

Phaeacian Partners is not obligated to seek the lowest transaction charge, except to the extent that it contributes to the overall goal of obtaining the best execution for clients. A higher transaction charge on exchange and over-the-counter trades may be determined reasonable in light of the value of the brokerage execution and research products and services provided to Phaeacian Partners for the benefit of its clients.

Phaeacian Partners may from time to time enter into formal or informal arrangements with certain brokers (“Soft Dollar Brokers”) whereby the provision of research or brokerage execution services is explicitly dependent on the level of commissions and underwriting concessions generated by the clients. Using a broker who provides Phaeacian Partners with research or other “soft-dollar” benefits may cause Phaeacian Funds and Accounts to pay commissions higher than the commissions charged by broker-dealers who do not so provide.

Research services received from Soft Dollar Brokers will be used to supplement and augment Phaeacian Partners’s own research capabilities, and will directly assist Phaeacian Partners in its investment decision-making process. Section 28(e) permits products and services obtained by soft dollars to be used for any or all Phaeacian Partners clients. Accordingly, the clients that provide the brokerage transaction charges for which such products and services are provided or that engage in the securities transactions generating such charges do not necessarily receive the direct benefit of specific services. Instead, Phaeacian Partners may receive a benefit because Phaeacian Partners does not have to produce or pay for the research, products or services. Therefore, Phaeacian Partners may have an incentive to select or recommend a broker-dealer based on its interest in receiving the research or other products or services. In selecting Soft Dollar Brokers to initiate soft dollar transactions, Phaeacian Partners will consider the capabilities of the Soft Dollar Broker to provide best execution.

All products and services that are paid for with client transaction charges will be of the type authorized by Section 28(e). All products and services that are paid for with soft dollars are reviewed and approved to ensure the product or service provides lawful and appropriate assistance in the performance of Phaeacian Partners’s investment decision-making activities. In addition, a determination is made that the amount of the commissions paid is reasonable in light of the value of the products or services provided.



Brokerage for Client Referrals. Phaeacian Partners does not direct brokerage to any broker-dealer in return for client referrals.

Directed Brokerage. Phaeacian Partners does not have any directed brokerage arrangements.

Trade Orders and Allocation of Investment Opportunities. Phaeacian Partners portfolio managers may give advice or take action in performing their duties that is not uniform or consistent for its clients, nor is such advice or action uniform or consistent with advice or actions by portfolio managers of Polar Capital for its clients. Phaeacian Partners is not obligated to buy, sell or recommend any security or other investment for a client that may be bought, sold or recommended for another client or any clients of Polar Capital.

Allocation of Aggregated Transactions. Transactions are generally not traded on an aggregated basis. Phaeacian Partners intends to implement procedures to allocate the positions among its participating clients on a fair and equitable basis over time.

Trade Errors. Phaeacian Partners has adopted policies and procedures for correcting trade errors. Once discovered, trade errors must be resolved promptly and fairly, with the goal of restoring the account to the appropriate financial position considering all relevant circumstances surrounding the error.

#### ITEM 13 -- Review of Accounts

- A. Portfolio Manager. Portfolio management personnel are expected to monitor investment portfolios and individual securities and securities positions as part of the ongoing investment process.
- B. Internal. In addition to internal reviews and monitoring of all client accounts conducted by Phaeacian Partners portfolio management personnel, Polar Capital's Risk, Operations, Compliance and Investment departments also conduct periodic reviews of all client accounts, including each Phaeacian Fund and Account. Daily reviews include positions and trade settlement by the Polar Operations department, daily overviews by Risk personnel for portfolio and investment risk, and daily checks by the Phaeacian Funds' independent administrators and prime brokers. Certain weekly, monthly, quarterly and/or annual reviews of client accounts are conducted by Polar Capital's Risk, Operations and/or Compliance departments to monitor compliance with allocation, best execution, market abuse and other trading and compliance policies. Unusual situations and market conditions, or specific issues or problems may cause special reviews by Polar Capital's Risk, Operations, Compliance and/or Investment departments.

- C. External Reporting. Phaeacian Partners will provide regular financial and performance information to Phaeacian Fund investors and separately managed account clients as required by the applicable governing agreements of the Phaeacian Funds and Accounts. Potential Phaeacian Fund investors and separately managed account clients should refer to the applicable prospectus or other offering document and governing agreements of each Phaeacian Fund and Account for further information on the reports that will be provided in respect of any investment in such Phaeacian Fund or Account.

#### ITEM 14 -- Client Referrals and Other Compensation

Phaeacian Partners does not receive economic benefits from non-clients for providing investment advice and other advisory services.

Phaeacian Partners may compensate agents who refer investors to the Phaeacian Funds and Accounts; such compensation is paid only in cash, and may be paid by way of management fee rebates.

#### ITEM 15 -- Custody

Phaeacian Partners will be deemed to have custody of client funds and securities for the private funds it manages because it will have the authority to obtain client funds or securities, for example, by deducting advisory fees from any such client's account or otherwise withdrawing funds from any such client's account. Account statements related to such clients are sent by qualified custodians to Phaeacian Partners.

Phaeacian Partners will be subject to Rule 206(4)-2 under the Advisers Act (the "Custody Rule"). However, it will not be required to comply (or will otherwise be deemed to have complied) with certain requirements of the Custody Rule with respect to each Phaeacian private fund because it will comply with the provisions of the so-called "Pooled Vehicle Annual Audit Exception", which, among other things, requires that each Phaeacian private fund be subject to audit at least annually by an independent public accountant that is registered with, and subject to regular inspection by, the Public Company Accounting Oversight Board, and requires that each Phaeacian private fund distribute its audited financial statements to all investors therein within 120 days of the end of its fiscal year.

Phaeacian Partners generally is not expected to have custody, within the meaning of the Custody Rule, of the funds or securities of the other Phaeacian Funds and Accounts (including the registered investment companies and separately managed accounts advised by Phaeacian Partners), provided that Phaeacian Partners may be deemed to have limited custody of certain separately managed accounts, solely to the extent that Phaeacian Partners is authorized to deduct its advisory fees from such accounts. Clients owning

such separately managed accounts should receive at least quarterly statements from the qualified custodian that holds and maintains the client's investment assets. Phaeacian Partners urges each client to carefully review such statements and compare such official custodial records to any account statements that Phaeacian Partners may provide such client. Phaeacian Partners' statements may vary from custodial statements based on accounting procedures, reporting dates or valuation methodologies of certain securities or other instruments.

#### ITEM 16 -- Investment Discretion

Phaeacian Partners has full investment discretion to manage the assets of the Phaeacian Funds and Accounts under the terms of the applicable client's investment management agreement, prospectus and related documents. Phaeacian Partners has full authority to determine the securities to be bought or sold, the brokers to be used and the commission rates paid. Purchases and sales must be suitable for the Phaeacian Funds and Accounts pursuant to their investment objective, strategies and any restrictions.

#### ITEM 17 -- Voting Client Securities

It is expected that Phaeacian Partners will have the authority to vote proxies for the securities held by the Phaeacian Funds and Accounts. Phaeacian Partners, along with its affiliates Polar Capital and Polar Capital (America) Corporation, have adopted a Proxy Voting Policy, as briefly described below.

Phaeacian Funds and Accounts. Phaeacian Partners will conduct proxy voting through Polar Capital's appointed proxy advisor; ISS ("Proxy Advisor"). All Phaeacian Partners portfolio managers have agreed a default position, which is to vote with the recommendations of the Proxy Advisor. Nevertheless, portfolio managers will assess each AGM/EGM resolution on its own merits and will vote on their own fundamental view which may differ from the Proxy Advisor.

Conflicts of Interest. Each portfolio manager with voting authority is required to disclose any material conflicts between his or her interest and that of the applicable Phaeacian Funds and Accounts. Possible examples are a material business, personal or family relationship with senior personnel of a portfolio company or a material arrangement with such a company. Disclosure is made to supervisory personnel and the Legal and Compliance Officer, who jointly determine the manner in which proxies should be voted.

Phaeacian Partners maintains records of proxy statements and votes on behalf of clients. Phaeacian Partners will provide clients and investors in the Phaeacian Funds and Accounts a copy of its Proxy Voting Policy and information on how proxies were voted upon request.

ITEM 18 -- Financial Information

Phaeacian Partners is not required to include a balance sheet for its most recent fiscal year.

Phaeacian Partners has never filed for bankruptcy and is not aware of any financial condition that is expected to affect its ability to carry out its business.