

Item 1 – Cover Page



Adviser Brochure

Form ADV Part 2A

RG Liquid Alts, LP

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Dallas, Texas 75201

(214) 871-5200

www.rgalts.com

March 31, 2020

This Brochure provides information about the qualifications and business practices of RG Liquid Alts, LP. If you have any questions about the contents of this Brochure, please contact us at (214) 871-5200. 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.

RG Liquid Alts, LP registered with the United States Securities and Exchange Commission in May 2019 in accordance with the Investment Advisers Act of 1940. Registration as an investment adviser does not imply any level of skill or training.

Additional information about RG Liquid Alts, LP (CRD # 301263) also is available on the SEC's website at www.adviserinfo.sec.gov. The SEC's web site also provides information about persons who are both affiliated with RG Liquid Alts, LP and registered as investment advisors with the SEC.

REFERENCES AND DISCLOSURES RELATING TO ANY PUBLIC OR PRIVATE FUND PRESENTED HEREIN, INCLUDING BUT NOT LIMITED TO: (I) THE INVESTMENT OBJECTIVE, STRATEGIES, RESTRICTIONS AND MANAGEMENT OF FUND, (II) RISKS AND CONFLICTS OF INTEREST ASSOCIATED WITH AN INVESTMENT IN A FUND, (III) DESCRIPTIONS OF SECURITIES PERMISSIBLE FOR INVESTMENT BY A FUND, AND (IV) TERMS FOR INVESTMENT WITHIN A FUND ARE QUALIFIED IN THEIR ENTIRETY BY AND SHOULD BE READ IN CONJUNCTION WITH SUCH FUND'S OFFERING DOCUMENTS AND OPERATING AGREEMENTS, INCLUDING WITHOUT LIMITATION, ANY PROSPECTUS OR STATEMENT OF ADDITIONAL INFORMATION. PROSPECTIVE INVESTORS ARE STRONGLY ENCOURAGED TO REVIEW OFFERING DOCUMENTS AND OPERATING AGREEMENTS CAREFULLY, AND CONSULT THEIR INDIVIDUAL FINANCIAL, LEGAL OR TAX ADVISORS PRIOR TO MAKING AN INVESTMENT. INFORMATION ABOUT WHAT OFFERING DOCUMENTS AND OPERATING AGREEMENTS ARE AVAILABLE FOR REVIEW BY A PROSPECTIVE INVESTOR, ALONG WITH APPLICABLE COPIES OF SUCH DOCUMENTS, IS AVAILABLE BY CONTACTING THE FIRM AT (214) 871-5200 OR INFO@RGALTS.COM.

Item 2 – Material Changes

SEC rules require RG Liquid Alts, LP (the “Advisor” or the “Firm”), and other registered investment advisors, to provide its Clients with a copy of its Form ADV 2 within 120 days of the close of its fiscal year, as well as on an ongoing basis when material changes make such disclosures necessary. The Firm’s Form ADV 2 is intended to provide its Clients with a clearly written and meaningful disclosure, in plain English, about the Firm’s business practices, conflicts of interest and advisory personnel.

The Firm’s Form ADV 2 is divided into two parts, *Part 2A* and *Part 2B*. *Part 2A* of the Form ADV (the “Brochure”) provides information about a variety of topics relating to the Firm’s business practices and conflicts of interest. *Part 2B* of the Form ADV (the “Brochure Supplement”) provides information about certain Firm advisory personnel.

This section of the Brochure addresses “material changes” that have taken place since the last annual update and will be posted on the SEC’s public disclosure website (IAPD). Pursuant to SEC Rules, we will ensure that you receive a summary of any material changes to this and subsequent Brochures within 120 days of the close of our business’s fiscal year. We may further provide other ongoing disclosure information about material changes as necessary.

The effective date of this Brochure is March 31, 2020, and updates the Brochure dated March 9, 2019. A summary of the material revisions made to the previous version of the Firm’s Brochure is as follows:

1. **Item 10 – Other Financial Industry Activities and Affiliates.** Description of the Firm’s affiliates was updated to include a new affiliated registered investment advisor.

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Item 4 – Advisory Business

RG Liquid Alts, LP (the “Advisor” or the “Firm”) is an investment adviser that commenced operations in March 2019 and filed for registration with the United States Securities and Exchange Commission (the “SEC”) in May 2019 in accordance with the Investment Advisers Act of 1940. The Firm was organized as a Texas limited partnership by RG Liquid Alts (GP), LLC, a Texas limited liability company which serves as its general partner. RG Liquid Alts (GP), LLC is controlled by Ranger Shared Services, LLC, a Texas limited liability company which serves as its sole manager.

As of December 31, 2019, the Firm managed approximately \$6,301,376 of client assets, all of which is discretionary.

Investment supervisory services include: (1) establishing a Client’s investment objectives within a tactical market neutral strategy; (2) buying or selling portfolio securities on behalf of each Client; and (3) periodically reporting to Clients and investors with respect to current investment holdings, valuations, transactions, capital gains or losses, investment performance, and/or outlook.

Global Market Neutral Strategy

The Firm primarily provides advisory services which seeks long term capital appreciation by employing a global market neutral strategy. The global market neutral strategy seeks to construct a global portfolio of both long and short positions with a low correlation to global markets and traditional equity benchmarks.

The Firm uses proprietary quantitative models to take long positions in those securities and instruments that the Firm believes are likely to increase in price and takes short positions in those securities and instruments that the investment adviser believes are likely to decrease in price. The Firm’s global market neutral strategy invests primarily in equity securities or derivative instruments linked to equity, including without limitation: common stock, preferred stock, depositary receipts, single name and index swaps, equity index futures and exchange-traded funds or similar pooled investment vehicles.

The global market neutral strategy is expected to have, at any given time, exposure to between 200 and 1000 global equities, without restriction in capitalization, and employ between zero to 100% leverage, either through the use of underlying derivatives or direct borrowing. The Firm’s global market neutral strategy intends to take exposure in companies located in any global developed markets, including the United States, opportunistically. As such, portfolios invested in the global market neutral strategy may have between zero to 100% exposure to non-U.S. equities at any time.

The Firm uses quantitative models to rank global equities according to their expected risk-factor characteristics when selecting for inclusion within a global market neutral strategy portfolio, including primarily, at its discretion:

- Value Models which typically identify investments that appear to trade as a discount to intrinsic value based on various fundamental measures (such as Price-to-Earnings)
- Growth Models which typically identify investments that demonstrate positive growth over some recent period in various fundamental or technical measures (such as Price Momentum)
- Quality Models which typically identify investments based on measures of stability and profitability.
- Volatility Models which typically identify investments based on measures of the level and trend of a company's volatility.

The Firm may add or modify the models, at its sole discretion, to reflect what the Firm believes represents a suitable opportunity set based on the Firm's proprietary research. The Firm uses its proprietary models to determine which investments to buy and sell for the Fund.

The global market neutral strategy is expected to have an annual turnover of approximately 100% to 400%, although this may be higher or lower depending on market conditions and turnover resulting from the Fund's purchases and redemptions.

The Tactical Market Neutral Fund

The Firm serves as the adviser to the RG Tactical Market Neutral Mutual Fund (the "Tactical Market Neutral Mutual Fund"), a series of the Ranger Funds Investment Trust, an investment company registered with the Securities and Exchange Commission under the Investment Company Act of 1940. While not applicable at this time, the Firm may provide investment advisory services to unregistered pooled investment vehicles and/or separately managed accounts on a future date (together with the Tactical Market Neutral Mutual Fund, the "Clients").

The RG Tactical Market Neutral Mutual Fund may issue Institutional and Investor Classes of share, with the no differences between the share classes and both are subject to 12b-1 fees.

Additional information regarding the Tactical Market Neutral Mutual Fund may be found in the Tactical Market Neutral Mutual Fund's Prospectus and Statement of Additional Information (together, the "Offering Documents"), copies of which may be obtained by accessing the Tactical Market Neutral Mutual Fund's website on www.rgalts.com or by contacting the Tactical Market Neutral Mutual Fund's transfer agent at (866) 458-4744.

ALL DESCRIPTIONS AND REFERENCES IN THIS BROCHURE TO THE TACTICAL MARKET NEUTRAL MUTUAL FUND OR THE GLOBAL MARKET NEUTRAL STRATEGY ARE QUALIFIED IN THEIR ENTIRETY, INCLUDING WITHOUT LIMITATION, WITH RESPECT TO OBJECTIVES, STRATEGIES, INVESTMENT PROCESSES, AND TERMS OF INVESTMENTS BY THE

TACTICAL MARKET NEUTRAL MUTUAL FUND’S PROSPECTUS AND STATEMENT OF ADDITIONAL INFORMATION (TOGETHER, THE “OFFERING DOCUMENTS”), OR WITH RESPECT TO OTHER INVESTMENT PRODUCTS, SUCH OTHER INFORMATIONAL OR DISCLOSURE DOCUMENTS AS MAY BE PROVIDED BY THE FIRM. PROSPECTIVE INVESTORS ARE THEREFORE STRONGLY ENCOURAGED TO CAREFULLY REVIEW APPLICABLE OFFERING DOCUMENTS RELATING TO THE TACTICAL MARKET NEUTRAL MUTUAL FUND OR THE APPLICABLE DISCLOSURE DOCUMENTS RELATING TO OTHER INVESTMENT PRODUCTS, AND CONSULT THEIR LEGAL, TAX AND/OR FINANCIAL REPRESENTATIVES PRIOR TO MAKING AN INVESTMENT.

Item 5 – Fees and Compensation

The Firm charges Clients advisory fees which are a fixed percentage of assets under management (“Management Fees”). Management Fees are generally charged in accordance with the schedule set forth in this Brochure and the prospectus and/or statement of additional information of the Tactical Market Neutral Mutual Fund.

The Firm reserves the right to negotiate Management Fees with Clients wishing to enter into separately managed account with the Firm, which differ from the standard schedule presented herein for the Tactical Market Neutral Mutual Fund, based on specific circumstances and on a case by case basis. Examples of these circumstances include, without limitation: the relative size of a Client’s account, a Client’s affiliation to the Firm, and/or a Client’s status as a seed or early investor. Accordingly, Management Fees incurred by Clients may vary substantially.

Generally, Management Fees are referenced at an annual rate, but are calculated and charged in advance on a daily, monthly or quarterly basis.

The Tactical Market Neutral Mutual Fund – Management Fees are calculated and accrued daily and wired to the Firm’s account on a quarterly basis by the Tactical Market Neutral Mutual Fund’s transfer agent.

Standard Fee Schedule for the Global Market Neutral Fund

Investment Product	Annual Management Fee
RG Tactical Market Neutral Mutual Fund*	One and Three Quarters Percent (1.75%)*
Separate Accounts for the Global Market Neutral Strategy	One and Three Quarters Percent (1.75%)

** Non-Institutional share classes of the Tactical Market Neutral Mutual Fund may be subject to 12b-1 fees of up to 0.25%.*

Management Fees and Other Expenses

Management Fees for separately managed accounts (but not mutual fund shares) are negotiable, depending on the size of the investment and other factors. Management Fees are exclusive of expenses associated with investments in the Tactical Market Neutral Mutual Fund. Although the Firm is generally responsible for its overhead expenses, Clients (including the Tactical Market Neutral Mutual Fund) bear the cost attributable to their investment activities and operations, which may include, without limitation, expenses associated with a portfolio's investment program, trading, administration, custody and/or operations. Such expenses may include, without limitation: (i) expenses incurred in connection with the evaluation, acquisition or disposition of investments, including private placement fees, sales commissions, appraisal fees, due diligence expense, travel costs, expenses associated with tender offers, proxy or consent solicitations, brokerage fees, underwriting commissions and discounts, and legal, accounting, investment banking, consulting, information services and professional fees; (ii) any withholding or transfer taxes imposed on a Client; (iii) any legal fees and costs (including settlement costs) arising in connection with any litigation or regulatory investigation instituted against the Client, or in certain circumstances, the Firm; (iv) specific expenses incurred in obtaining systems, research and other information utilized for portfolio management purposes that facilitate valuations and accounting, including the costs of statistics and pricing services, service contracts for quotation equipment and related hardware and software; (v) the allocated costs of any liability insurance obtained on behalf of a Client or, in certain circumstances, the Firm; (vi) expenses incurred in connection with the carrying or management of investments, including custodial, administrator, transfer agent, trustee, record keeping and other administration fees; (vii) the cost of the audit of a pooled investment vehicle Client's financial statements and the preparation of its tax returns; (viii) the fees and expenses of the accountants servicing a pooled investment vehicle Client in connection with accounting advice relating to such Client's day-to-day affairs and all costs related to the keeping of the books and records of such Client; (ix) the fees and expenses of a pooled investment vehicle Client's counsel in connection with advice directly relating to the Client's legal affairs; (x) the costs and expenses of holding any meetings of partners or shareholders which are required to be held under the terms of any agreement or by law; and (xi) all costs and expenses associated with reporting and providing information to existing and prospective Clients. In addition, Non-Institutional Classes of the Tactical Market Neutral Mutual Fund may be subject to distribution and/or service (12b-1) fees of up to 0.25%.

Notwithstanding the above, the Firm may, in its sole discretion, choose to absorb any such expenses incurred on behalf of a Client.

Expense Cap Limitation Agreements

The Firm has entered into an expense limitation agreement with the Tactical Market Neutral Mutual Fund to reduce its fees and to reimburse expenses, which is renewed on a periodic basis, such that total annual Tactical Market Neutral Mutual Fund operating expenses after fee waiver and/or reimbursement (exclusive of any Rule 12b-1 distribution or shareholder servicing fees, taxes, interest, brokerage commissions, expenses associated with taking investment positions, derivative or swap related expenses, acquired fund fees and expenses, or extraordinary

expenses such as litigation) will not exceed 1.99% of average daily net assets, subject to possible recoupment from the appropriate Fund in future years on a rolling three year basis (within the three years after the fees have been waived or reimbursed) if such recoupment can be achieved within the foregoing expense limits.

Broker-Dealers

For information describing the factors that the Firm considers in selecting or recommending broker-dealers for Client transactions and determining the reasonableness of their compensation, please see **Item 12 – Brokerage Practices**.

Performance Fees

Performance fees are advisory fees which are charged as a percentage of the appreciation of the net asset value of a Client's account. Although on a general basis the Firm does not charge performance fees, it may in limited situations and at a Client's request consider the application of performance fees as a full or partial alternative to Management Fees.

Compensation to Third Parties

The Firm may enter into agreements with an affiliated or unaffiliated marketing group or individuals that will solicit the Tactical Market Neutral Mutual Fund managed by the Firm. For their solicitation services, such marketing groups may receive a percentage of the Firm's Management Fee.

The Firm's arrangements with an affiliated or unaffiliated marketing group may result in a potential conflict of interest by creating an incentive for the marketing group to recommend Firm investment advisory products and services based on compensation received rather than the investor's needs. The Firm has implemented procedures to ensure compensation arrangements with an affiliated or unaffiliated third-party for Client or investor referrals will comply with Rule 206(4)-3 under the Adviser's Act.

Please see **Item 14 – Client Referrals and Other Compensation** for information regarding compensation received by or paid to affiliated and unaffiliated persons for the solicitation of investors for the Tactical Market Neutral Mutual Fund.

Additional Information

Additional information regarding the Tactical Market Neutral Mutual Fund may be found in the Tactical Market Neutral Mutual Fund's Prospectus and Statement of Additional Information (together, the "Offering Documents"), copies of which may be obtained by accessing the Tactical Market Neutral Mutual Fund's website on www.rgalts.com or by contacting the Tactical Market Neutral Mutual Fund's transfer agent at (866) 458-4744.

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

Although the Firm does not currently charge performance fees, it may in limited situations and at a Client's request consider the application of performance fees as a full or partial alternative to Management Fees. Performance based fee arrangements may create an incentive for the Firm to invest in securities which may be riskier or more speculative than the securities it would invest in under a different fee arrangement. In addition, performance fee arrangements may create an incentive for the Firm to favor higher fee paying accounts over other accounts in the allocation of investment opportunities. The Firm employs procedures designed and implemented to treat all Clients fairly and equally, in order to mitigate potential conflicts of interest attributable to performance-based fee arrangements from influencing the allocation of investment opportunities among Clients.

Item 7 – Types of Clients

The Firm provides direct investment advisory services to the Tactical Market Neutral Mutual Fund, a pooled investment vehicle registered pursuant to the Investment Company Act of 1940, and, therefore, provides indirect investment advisory services to both institutional and non-institutional investors through shares in the Tactical Market Neutral Mutual Fund.

Generally, the minimum investment thresholds to open an account is \$10,000 for shares of the Tactical Market Neutral Mutual Fund. However, the Firm may and does accept lesser amounts, at its sole discretion.

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

The Firm primarily provides advisory services which seeks long term capital appreciation by employing a global market neutral strategy. The global market neutral strategy seeks to construct a global portfolio of both long and short positions with a low correlation to global markets and traditional equity benchmarks.

The Firm uses proprietary quantitative models to take long positions in those securities and instruments that the Firm believes are likely to increase in price and takes short positions in those securities and instruments that the investment adviser believes are likely to decrease in price. The Firm's global market neutral strategy invests primarily in equity securities or derivative instruments linked to equity, including without limitation: common stock, preferred stock, depositary receipts, single name and index swaps, equity index futures and exchange-traded funds or similar pooled investment vehicles.

The global market neutral strategy is expected to have, at any given time, exposure to between 200 and 1000 global equities, without restriction in capitalization, and employ between zero to 100% leverage, either through the use of underlying derivatives or direct borrowing. The Firm's global market neutral strategy intends to take exposure in companies located in any global developed markets, including the United States, opportunistically. As such, portfolios invested in the global market neutral strategy may have between zero to 100% exposure to non-U.S. equities at any time.

The Firm uses quantitative models to rank global equities according to their expected risk-factor characteristics when selecting for inclusion within a global market neutral strategy portfolio, including primarily, at its discretion:

- Value Models which typically identify investments that appear to trade as a discount to intrinsic value based on various fundamental measures (such as Price-to-Earnings)
- Growth Models which typically identify investments that demonstrate positive growth over some recent period in various fundamental or technical measures (such as Price Momentum)
- Quality Models which typically identify investments based on measures of stability and profitability.
- Volatility Models which typically identify investments based on measures of the level and trend of a company's volatility.

The Firm may add or modify the models, at its sole discretion, to reflect what the Firm believes represents a suitable opportunity set based on the Firm's proprietary research. The Firm uses its proprietary models to determine which investments to buy and sell for the Fund.

The global market neutral strategy is expected to have an annual turnover of approximately 100% to 400%, although this may be higher or lower depending on market conditions and turnover resulting from the Fund's purchases and redemptions.

The information presented in **Item 8 – Methods of Analysis, Investment Strategies and Risk of Loss** and references in this brochure to the Tactical Market Neutral Mutual Fund or the Global Market Neutral Strategy are qualified in their entirety, including without limitation, with respect to objectives, strategies, investment processes, and terms of investment, by the Tactical Market Neutral Mutual Fund's Prospectus and Statement of Additional Information (together, the "Offering Documents"), or with respect to other investment products, such other informational or disclosure documents as may be provided by the Firm. Prospective investors are therefore strongly encouraged to carefully review applicable Offering Documents relating to the Tactical Market Neutral Mutual Fund or the applicable disclosure documents relating to other investment products, and consult their legal, tax and/or financial representatives prior to making an investment.

A copy of the Prospectus and Statement of Additional Information for the Tactical Market Neutral Mutual Fund may be obtained by accessing the Tactical Market Neutral Mutual Fund's website on www.rgalts.com or by contacting the Tactical Market Neutral Mutual Fund's transfer agent at (866) 458-4744. Copies of disclosure or informational documents relating to any other investment product may be obtained by contacting the Firm at 214-871-5200.

RISK FACTORS

INVESTMENT IN THE GLOBAL MARKET NEUTRAL STRATEGY OR THE TACTICAL MARKET NEUTRAL MUTUAL FUND ENTAILS A SIGNIFICANT DEGREE OF RISK, INCLUDING WITHOUT LIMITATION, THE RISK THAT PROSPECTIVE INVESTORS MAY LOSE ALL OR A SIGNIFICANT PORTION OF THEIR INVESTMENT CAPITAL. THERE CAN BE NO ASSURANCE THAT THE FIRM OR THE TACTICAL MARKET NEUTRAL MUTUAL FUND WILL BE ABLE TO AVOID LOSS, ACHIEVE THEIR INVESTMENT OBJECTIVES OR RECEIVE A POSITIVE RETURN ON INVESTMENT CAPITAL. AS SUCH, AN INVESTMENT IN THE GLOBAL MARKET NEUTRAL STRATEGY OR THE TACTICAL MARKET NEUTRAL MUTUAL FUND SHOULD ONLY BE UNDERTAKEN BY INVESTORS CAPABLE OF EVALUATING THE RISKS ASSOCIATED WITH SUCH INVESTMENT AND BEARING THE LOSS OF PART OR ALL OF THEIR INVESTMENT CAPITAL.

THE RISKS PRESENTED HEREIN ARE NOT A COMPLETE LIST OF RISKS ASSOCIATED WITH AN INVESTMENT IN THE GLOBAL MARKET NEUTRAL STRATEGY OR THE TACTICAL MARKET NEUTRAL MUTUAL FUND. DETAILED DISCLOSURES OF SUCH RISKS, OTHER RISKS AND CONFLICTS OF INTEREST INHERENT TO THE GLOBAL MARKET NEUTRAL STRATEGY OR THE TACTICAL MARKET NEUTRAL MUTUAL FUND MAY BE FOUND IN THE OFFERING DOCUMENTS OF THE TACTICAL MARKET NEUTRAL MUTUAL FUND, AND TO THE EXTENT SEPERATELY MANAGED ACCOUNTS ARE OFFERED BY THE FIRM ON A FUTURE DATE, THE DISCLOSURE DOCUMENTS AND INVESTMENT ADVISORY AGREEMENT ATTRIBUTABLE TO SUCH OFFERED SEPERATELY MANAGED ACCOUNT. PROSPECTIVE INVESTORS ARE STRONGLY ENCOURAGED TO REVIEW SUCH RISK DISCLOSURES CAREFULLY, AND CONSULT THEIR INDIVIDUAL FINANCIAL, LEGAL AND TAX ADVISORS. A COPY OF THE PROSPECTUS AND STATEMENT OF ADDITIONAL INFORMATION FOR THE TACTICAL MARKET NEUTRAL MUTUAL FUND MAY BE OBTAINED BY ACCESSING THE TACTICAL MARKET NEUTRAL MUTUAL FUND'S WEBSITE ON **RGALTS.COM** OR BY CONTACTING THE TACTICAL MARKET NEUTRAL MUTUAL FUND'S TRANSFER AGENT AT (866) 458-4744. COPIES OF DISCLOSURE OR INFORMATIONAL DOCUMENTS RELATING TO ANY OTHER INVESTMENT PRODUCT MAY BE OBTAINED BY CONTACTING THE FIRM AT 214-871-5200.

Investment in Shares is a Risky Investment for Suitable Investors Only

Investment in the Tactical Market Neutral Mutual Fund or the Global Market Neutral Strategy (“Market Neutral Portfolios”) are risky and speculative investments. Market Neutral Portfolios are suitable only for prospective investors who can bear the risk of losing the entirety of their investment. If a prospective investor cannot afford to lose the entire amount of its investment in a Market Neutral Portfolio, it should not invest in such Market Neutral Portfolio.

Potential Loss of Investment

There is a risk that an investment in a Market Neutral Portfolio will be lost entirely or in part. An investment in a Market Neutral Portfolio is not a complete investment program and should represent only a small portion of an investor's portfolio management strategy. Each prospective investor must have enough knowledge and experience in financial and business matters to be capable of evaluating the merits and risks of an investment in a Market Neutral Portfolio. No guarantee or representation is made that the investment strategy of a Market Neutral Portfolio will be successful, that the targeted return or risk will be achieved or maintained, or that the various investment strategies utilized or investments made through a Market Neutral Portfolio will have low correlation with each other or with the markets generally.

Overall Investment Risk

All securities investments risk the loss of capital. The nature of the securities purchased and traded by the Firm and the investment techniques and strategies employed in order to increase returns may increase this risk. While the Firm will devote its best efforts to the management of investment portfolios, many unforeseeable events, including but not limited to actions by various government agencies, the Federal Reserve Board, and/or domestic and international political events, may cause sharp market fluctuations which may negatively impact the investment strategies managed by the Firm.

The prior investment performance of the Market Neutral Portfolios may not be indicative of the future results.

Investment Program and/or Market Neutral Portfolio Selection Process may not be Successful

There can be no assurance that the investment program and/or the investment selection process employed by the Firm will be successful. There is no assurance that the Firm's investment program or proprietary software will function as anticipated, especially during unusual market conditions or conditions that the Firm or such software has not yet encountered. In addition, the Firm's investment methodologies, including with respect to its proprietary software and systems, may be continually revised and evolve. However, no assurances can be given that such revisions will perform as anticipated or desired by the Firm, and as such may have adverse consequences to a Market Neutral Portfolio.

Model and Data Risk

Given the complexity of the investments and strategies, the investment adviser relies heavily on quantitative models and information and data both proprietary as well as supplied by third parties ("Models and Data"). Models and Data are used to rank equities, provide risk management insights, and to assist in hedging the investments.

When Models and Data prove to be incorrect or incomplete, any decisions made in reliance thereon expose the investment strategy to potential risks. Similarly, any hedging based on faulty Models and Data may prove to be unsuccessful. Some of the models used by the Firm for the investment strategy are predictive in nature. The use of predictive models has inherent risks. Because predictive models are usually constructed based on historical data supplied by third parties, the success of relying on such models may depend heavily on the accuracy and

reliability of the supplied historical data. In addition, there is an inherent risk that the quantitative models used by the Firm will not be successful in forecasting movements in industries, sectors or companies or in determining the weighting of investment positions that will enable the investment strategy to achieve its investment objective.

All models rely on correct data inputs. If incorrect market data is entered into even a well-founded model, the resulting information will be incorrect. However, even if market data is input correctly, “model prices” will often differ substantially from market prices, especially for instruments with complex characteristics, such as derivative instruments.

Leverage Risk

The value of an investment in a Market Neutral Portfolio may be more volatile if a Market Neutral Portfolio borrows or uses instruments, such as derivatives, that have a leveraging effect on the investment strategy’s portfolio. Other risks described in the Brochure also will be compounded because leverage generally magnifies the effect of a change in the value of an asset and creates a risk of loss of value on a larger pool of assets than the fund would otherwise have had. The Firm may also have to sell assets at inopportune times to satisfy its obligations. The use of leverage is considered to be a speculative investment practice and may result in the loss of a substantial amount, and possibly all, of a Market Neutral Portfolio’s assets.

Global Market Neutral Strategy Risk

The Global Market Neutral Strategy uses short positions in combination with long positions to try to neutralize exposure to the global stock market and capture a positive return, regardless of the direction of the market. The Firm’s Global Market Neutral Strategy may result in greater losses or lower positive returns than if the Firm held only long positions, and the Firm’s short positions could result in unlimited losses. Although the Firm’s models were created to improve performance and to reduce overall portfolio risk, there is no guarantee that these models and the Global Market Neutral Strategy will be successful. The overall performance of the investment strategy depends on the net performance of its long and short positions, and it is possible for the investment strategy to experience a net loss across all positions. It is also possible that the investment strategy’s long positions will decline in value at the same time that the investment strategy’s securities underlying the short positions increase in value, thereby increasing potential losses to the Market Neutral Portfolios. The Firm may execute parts of its Global Market Neutral Strategy by investing across security types and/or geographic markets. This can increase the number of factors that could lead to a lack of correlation between the performance of the long and short positions and therefore result in losses on both sides of the strategy.

Counterparty Risk

The Firm may engage in transactions in securities and financial instruments that involve counterparties. Counterparty risk is the risk that a counterparty (the other party to a transaction or an agreement or the party with whom the Firm executes transactions) to a transaction with the Firm may be unable or unwilling to make timely principal, interest or settlement payments,

or otherwise honor its obligations. To limit the counterparty risk associated with such transactions, the Firm conducts business only with financial institutions judged by the Firm to present acceptable credit risk.

Currency Risk

Currency trading involves significant risks, including market risk, interest rate risk, country risk, counterparty credit risk and short sale risk. Market risk results from the price movement of foreign currency values in response to shifting market supply and demand. Since exchange rate changes can readily move in one direction, a currency position carried overnight or over a number of days may involve greater risk than one carried a few minutes or hours. Interest rate risk arises whenever a country changes its stated interest rate target associated with its currency. Country risk arises because virtually every country has interfered with international transactions in its currency. Interference has taken the form of regulation of the local exchange market, restrictions on foreign investment by residents or limits on inflows of investment funds from abroad. Restrictions on the exchange market or on international transactions are intended to affect the level or movement of the exchange rate. This risk could include the country issuing a new currency, effectively making the "old" currency worthless. The investment strategy may also take short positions, through derivatives, if the Firm believes the value of a currency is likely to depreciate in value. A "short" position is, in effect, similar to a sale in which the Firm sells a currency it does not own but, has borrowed in anticipation that the market price of the currency will decline. The Firm must replace a short currency position by purchasing it at the market price at the time of replacement, which may be more or less than the price at which the Firm took a short position in the currency.

Derivatives Risk

The Firm's use of derivative instruments involves risks different from, or possibly greater than, the risks associated with investing directly in securities and other traditional investments. These risks include (i) the risk that the counterparty to a derivative transaction may not fulfill its contractual obligations; (ii) risk of mispricing or improper valuation; and (iii) the risk that changes in the value of the derivative may not correlate perfectly with the underlying asset, rate or index. Derivative prices are highly volatile and may fluctuate substantially during a short period of time. Such prices are influenced by numerous factors that affect the markets, including, but not limited to: changing supply and demand relationships; government programs and policies; national and international political and economic events, changes in interest rates, inflation and deflation and changes in supply and demand relationships. Trading derivative instruments involves risks different from, or possibly greater than, the risks associated with investing directly in securities including:

- *Leverage and Volatility Risk:* Derivative contracts ordinarily have leverage inherent in their terms. The low margin deposits normally required in trading derivatives, including futures contracts, permit a high degree of leverage. Accordingly, a relatively small price movement may result in an immediate and substantial loss to the Market Neutral Portfolios. The use of leverage may also cause the Firm to liquidate portfolio positions when it would not be advantageous to do so in order to satisfy its obligations or to meet collateral

segregation requirements. The use of leveraged derivatives can magnify the Market Neutral Portfolios' potential for gain or loss and, therefore, amplify the effects of market volatility on the Market Neutral Portfolios' value or share price.

- *Liquidity Risk:* It is possible that particular derivative investments might be difficult to purchase or sell, possibly preventing the Firm from executing positions at an advantageous time or price, or possibly requiring them to dispose of other investments at unfavorable times or prices in order to satisfy their obligations. Most U.S. commodity futures exchanges impose daily limits regulating the maximum amount above or below the previous day's settlement price which a futures contract price may fluctuate during a single day. During a single trading day, no trades may be executed at prices beyond the daily limit. Once the price of a particular futures contract has increased or decreased to the limit point, it may be difficult, costly or impossible to liquidate a position. It is also possible that an exchange or the Commodity Futures Trading Commission ("CFTC"), which regulates commodity futures exchanges, may suspend trading in a particular contract, order immediate settlement of a contract or order that trading to the liquidation of open positions only.

- *Risk of Options:* Because option premiums paid or received by the Firm are small in relation to the market value of the investments underlying the options, buying and selling put and call options can be more speculative than investing directly in securities.

Equity Risk

Equity securities are susceptible to general stock market fluctuations and to volatile increases and decreases in value. The equity securities held by the Market Neutral Portfolios may experience sudden, unpredictable drops in value or long periods of decline in value. This may occur because of factors affecting securities markets generally, the equity securities of a particular sector, or a particular company.

Foreign Investment Risk

Foreign investing involves risks not typically associated with U.S. investments, including adverse fluctuations in foreign currency values, adverse political, social and economic developments, less liquidity, greater volatility, less developed or less efficient trading markets, political instability and differing auditing and legal standards.

Foreign Securities Risk

To the extent the Market Neutral Portfolios invest in foreign securities, each Market Neutral Portfolio could be subject to greater risks because the investment strategy's performance may depend on issues other than the performance of a particular company or U.S. market sector. Changes in foreign economies and political climates are more likely to affect the Market Neutral Portfolios than a portfolio that invests exclusively in U.S. companies. The value of foreign securities is also affected by the value of the local currency relative to the U.S. dollar. There may also be less government supervision of foreign markets, resulting in non-uniform

accounting practices and less publicly available information. The values of foreign investments may be affected by changes in exchange control regulations, application of foreign tax laws (including withholding tax), changes in governmental administration or economic or monetary policy (in this country or abroad) or changed circumstances in dealings between nations. In addition, foreign brokerage commissions, custody fees and other costs of investing in foreign securities are generally higher than in the United States. Investments in foreign issues could be affected by other factors not present in the United States, including expropriation, armed conflict, confiscatory taxation, and potential difficulties in enforcing contractual obligations. As a result, the may be exposed to greater risk and will be more dependent on the Firm's ability to assess such risk than if the Market Neutral Portfolios invested solely in more developed countries.

Futures Risk

The Market Neutral Portfolios' use of futures involves risks different from, or possibly greater than, the risks associated with investing directly in securities and other traditional investments. These risks include (i) leverage risk (ii) risk of mispricing or improper valuation; and (iii) the risk that changes in the value of the futures contract may not correlate perfectly with the underlying index. Investments in futures involve leverage, which means a small percentage of assets invested in futures can have a disproportionately large impact on the portfolio. This risk could cause the Market Neutral Portfolios to lose more than the principal amount invested. Futures contracts may become mispriced or improperly valued when compared to the Firm's expectation and may not produce the desired investment results. Additionally, changes in the value of futures contracts may not track or correlate perfectly with the underlying index because of temporary, or even long-term, supply and demand imbalances and because futures do not pay dividends unlike the stocks upon which they are based.

Geographic Concentration Risk

The investment strategy may be particularly susceptible to economic, political, regulatory or other events or conditions affecting countries within the specific geographic regions in which the Market Neutral Portfolios invest. Currency devaluations could occur in countries that have not yet experienced currency devaluation to date or could continue to occur in countries that have already experienced such devaluations. As a result, the Market Neutral Portfolios' net asset value may be more volatile than a more geographically diversified fund.

Large Capitalization Stock Risk

Large-capitalization companies may be less able than smaller capitalization companies to adapt to changing market conditions. Large-capitalization companies may be more mature and subject to more limited growth potential compared with smaller capitalization companies. During different market cycles, the performance of large capitalization companies has trailed the overall performance of the broader securities markets.

New Adviser Risk

Although the Firm's affiliates currently manage mutual funds, private funds and separately managed accounts, the Firm is newly formed. As a result, investors do not have a long-term track record from which to judge the Firm and the Firm may not achieve the intended result in managing the Market Neutral Portfolios.

Liquidity Risk

Liquidity risk exists when particular investments of the Market Neutral Portfolios would be difficult to purchase or sell, possibly preventing the Market Neutral Portfolios from selling such illiquid securities at an advantageous time or price, or possibly requiring the Market Neutral Portfolios to dispose of other investments at unfavorable times or prices in order to satisfy its obligations. The Market Neutral Portfolios may make investments in foreign markets or enter into derivatives, swaps or futures, each of which may have more limited liquidity than securities which trade freely on US exchanges.

Market Risk

Overall market risks may also affect the value of the Market Neutral Portfolios. Factors such as domestic economic growth and market conditions, interest rate levels and political events affect the securities markets. Equities involve the risk that they may never reach what the Firm believes is their full market value, either because the market fails to recognize the security's intrinsic worth or the manager misgauged that worth. They also may decline in price, even though, in theory, they are already undervalued.

Momentum Style Risk

Investing in or having exposure to securities with positive momentum entails investing in securities that have had above-average recent returns. These securities may be more volatile than a broad cross section of securities. In addition, there may be periods during which the investment performance of the investment strategy may suffer as a result of using a momentum strategy.

Regulatory Risk

Regulatory authorities in the United States or other countries may restrict the ability of the Firm to fully implement its strategy, either generally, or with respect to certain securities, industries or countries, which may impact the Firm's ability to fully implement its investment strategies.

Security Risk

The value of the Market Neutral Portfolios may decrease in response to the activities and financial prospects of an individual security in the Market Neutral Portfolios. The net asset value of the Market Neutral Portfolios will fluctuate based on changes in the value of the securities in which the Firm invests. The Market Neutral Portfolios invest in securities that may be more volatile and carry more risk than some other forms of investment. The price of securities may rise or fall because of economic or political changes. Security prices in general

may decline over short or even extended periods of time. Market prices of securities in broad market segments may be adversely affected by a prominent issuer having experienced losses, lack of earnings, failure to meet the market's expectations with respect to new products or services, or even by factors wholly unrelated to the value or condition of the issuer, such as changes in interest rates.

Short Selling Risk

If a security or other instrument sold short increases in price, the Market Neutral Portfolios may have to cover their short position at a higher price than the short sale price, resulting in a loss. The Market Neutral Portfolios may have substantial short security positions and must borrow those securities to make delivery to the buyer. A Market Neutral Portfolios may not be able to borrow a security that it needs to deliver, or it may not be able to close out a short position at an acceptable price and may have to sell related long positions before it had intended to do so. Thus, the Firm may not be able to successfully implement its short sale strategy due to limited availability of desired securities or for other reasons.

A Market Neutral Portfolios also may be required to pay a commission and other transaction costs, which would increase the cost of the security sold short. The amount of any gain will be decreased, and the amount of any loss increased, by the amount of the commission, dividends, interest or expenses the Market Neutral Portfolios may be required to pay in connection with the short sale.

Until a Market Neutral Portfolios replaces a borrowed security, it is required to maintain a segregated account of cash or liquid assets with a broker or custodian to cover such Market Neutral Portfolios' short position. Generally, securities held in a segregated account cannot be sold unless they are replaced with other liquid assets. A Market Neutral Portfolios' ability to access the pledged collateral may also be impaired in the event the broker fails to comply with the terms of the contract. In such instances a Market Neutral Portfolio may not be able to substitute or sell the pledged collateral. Additionally, the Firm must maintain sufficient liquid assets (less any additional collateral pledged to the broker), marked-to-market daily, to cover the short sale obligations. This may limit the Firm's investment flexibility, as well as its ability to meet redemption requests or other current obligations.

Because losses on short sales arise from increases in the value of the security sold short, such losses are theoretically unlimited. By contrast, a loss on a long position arises from decreases in the value of the security and is limited by the fact that a security's value cannot go below zero.

Small and Medium Capitalization Stock Risk

The stocks of small and medium capitalization companies involve substantial risk. These companies may have limited product lines, markets or financial resources, and they may be dependent on a limited management group. Stocks of these companies may be subject to more abrupt or erratic market movements than those of larger, more established companies or the market averages in general.

Swap Risk

The Market Neutral Portfolios may use swaps to enhance returns and manage risk. The Market Neutral Portfolios' use of swaps involves risks different from, or possibly greater than, the risks associated with investing directly in securities and other traditional investments. These risks include (i) the risk that the counterparty to a derivative transaction may not fulfill its contractual obligations; (ii) risk of mispricing or improper valuation; and (iii) the risk that changes in the value of the derivative may not correlate perfectly with the underlying asset, rate or index. Derivative prices are highly volatile and may fluctuate substantially during a short period of time. Such prices are influenced by numerous factors that affect the markets, including, but not limited to: changing supply and demand relationships; government programs and policies; national and international political and economic events, changes in interest rates, inflation and deflation and changes in supply and demand relationships. Trading derivative instruments involves risks different from, or possibly greater than, the risks associated with investing directly in securities. Derivative contracts ordinarily have leverage inherent in their terms. The low margin deposits normally required in trading derivatives, including futures contracts, permit a high degree of leverage. Accordingly, a relatively small price movement may result in an immediate and substantial loss to the Market Neutral Portfolios. The use of leverage may also cause the Firm to liquidate portfolio positions when it would not be advantageous to do so in order to satisfy its obligations or to meet collateral segregation requirements. The use of leveraged derivatives can magnify the Market Neutral Portfolios' potential for loss and, therefore, amplify the effects of market volatility on the Market Neutral Portfolios' value or share price.

Underlying Fund Risk

Other investment companies including mutual funds, ETFs and closed-end funds ("Underlying Funds") in which the Firm invests are subject to investment advisory and other expenses, which will be indirectly paid by the Market Neutral Portfolios. As a result, the cost of investing in the Market Neutral Portfolios will be higher than the cost of investing directly in the Underlying Funds and may be higher than other mutual funds that invest directly in stocks and bonds. Each of the Underlying Funds is subject to its own specific risks, but the Firm expects the principal investments risks of such Underlying Funds will be similar to the risks of investing in the Fund. Additional risks of investing in ETFs and mutual funds are described below:

- *Closed-End Fund Risk.* Closed-end funds are subject to investment advisory and other expenses, which will be indirectly paid by the Market Neutral Portfolios. As a result, the cost of investing will be higher than the cost of investing directly in a closed-end fund and may be higher than other funds or portfolios that invest directly in stocks and bonds. Closed-end funds are also subject to management risk because the adviser to the underlying closed-end fund may be unsuccessful in meeting the Market Neutral Portfolios' investment objective. These funds may also trade at a discount or premium to their net asset value and may trade at a larger discount or smaller premium subsequent to purchase by the Market Neutral Portfolios. Since

closed-end funds trade on exchanges, the Market Neutral Portfolios will also incur brokerage expenses and commissions when it buys or sells closed-end fund shares.

- *ETF Tracking Risk:* Investment in the Market Neutral Portfolios should be made with the understanding that the passive ETFs in which the Firm invests will not be able to replicate exactly the performance of the indices they track because the total return generated by the securities will be reduced by transaction costs incurred in adjusting the actual balance of the securities. In addition, the passive ETFs in which the Firm invests will incur expenses not incurred by their applicable indices. Certain securities comprising the indices tracked by the passive ETFs may, from time to time, temporarily be unavailable, which may further impede the passive ETFs' ability to track their applicable indices.
- *Inverse Correlation Risk:* Underlying Funds that are inverse funds should lose value as the index or security tracked by such fund's benchmark increases in value; a result that is the opposite from traditional mutual funds. Successful use of inverse funds requires that the adviser correctly predict short term market movements. If the Firm invests in an inverse fund and markets rise, the Market Neutral Portfolios could lose money. Inverse funds may also employ leverage such that their returns are more than one times that of their benchmark.
- *Management Risk:* When the Firm invests in Underlying Funds there is a risk that the investment advisers of those Underlying Funds may make investment decisions that are detrimental to the performance of the Market Neutral Portfolios.
- *Mutual Fund Risk.* Mutual funds are subject to investment advisory and other expenses, which will be indirectly paid by the Market Neutral Portfolios. As a result, the cost of investing will be higher than the cost of investing directly in a mutual fund and may be higher than other mutual funds that invest directly in stocks and bonds. Mutual funds are also subject to management risk because the adviser to the underlying mutual fund may be unsuccessful in meeting the fund's investment objective and may temporarily pursue strategies which are inconsistent with the Firm's investment objective.
- *Net Asset Value and Market Price Risk:* The market value of ETF shares may differ from their net asset value. This difference in price may be due to the fact that the supply and demand in the market for fund shares at any point in time is not always identical to the supply and demand in the market for the underlying basket of securities. Accordingly, there may be times when shares trade at a premium or discount to net asset value.
- *Strategies Risk:* Each Underlying Fund is subject to specific risks, depending on the nature of the fund. These risks could include liquidity risk, sector risk, and foreign currency risk, as well as risks associated with fixed income securities and commodities.

Portfolio Turnover Risk

The frequency of the Market Neutral Portfolios' transactions will vary from year to year. Increased portfolio turnover may result in higher brokerage commissions, dealer mark-ups and other transaction costs and may result in taxable capital gains. Higher costs associated with increased portfolio turnover may offset gains in an investment strategy's performance. The Market Neutral Portfolios' portfolio turnover is expected to be over 100% annually, as the Firm actively trades.

Temporary Investments

To respond to adverse market, economic, political or other conditions, the Firm may invest up to 100% of the Market Neutral Portfolios' total assets, without limitation, in high-quality short-term debt securities and money market instruments. These short-term debt securities and money market instruments include: shares of money market mutual funds, commercial paper, certificates of deposit, bankers' acceptances, U.S. Government securities and repurchase agreements. While the Market Neutral Portfolios are in a defensive position, the opportunity to achieve their investment objective will be limited. Furthermore, to the extent that the Market Neutral Portfolios invests in money market mutual funds for cash positions, there will be some duplication of expenses because the Market Neutral Portfolios pay their pro-rata portion of such money market funds' advisory fees and operational fees. The Market Neutral Portfolios may also invest a substantial portion of their assets in such instruments at any time to maintain liquidity or pending selection of investments in accordance with its policies.

Cybersecurity

The computer systems, networks and devices used by the Firm and its service providers to carry out routine business operations employ a variety of protections designed to prevent damage or interruption from computer viruses, network failures, computer and telecommunication failures, infiltration by unauthorized persons and security breaches. Despite the various protections utilized by the Firm and its service providers, systems, networks, or devices potentially can be breached. The Market Neutral Portfolios and their investors could be negatively impacted as a result of a cybersecurity breach.

Cybersecurity breaches can include unauthorized access to systems, networks, or devices; infection from computer viruses or other malicious software code; and attacks that shut down, disable, slow, or otherwise disrupt operations, business processes, or website access or functionality. Cybersecurity breaches may cause disruptions and impact the Firm's business operations, potentially resulting in: financial losses; interference with the Firm's ability to calculate NAV; impediments to trading; the inability of the Firm and other service providers to transact business; violations of applicable privacy and other laws; regulatory fines, penalties, reputational damage, reimbursement or other compensation costs, or additional compliance costs; as well as the inadvertent release of confidential information.

Similar adverse consequences could result from cybersecurity breaches affecting issuers of securities in which the Firm's investment strategy invests; counterparties with which the Firm engages in transactions; governmental and other regulatory authorities; exchange and other financial market operators, banks, brokers, dealers, insurance companies, and other financial institutions (including financial intermediaries and service providers for the Market Neutral Portfolios' investors); and other parties. In addition, substantial costs may be incurred by these entities in order to prevent any cybersecurity breaches in the future.

Legal, Regulatory and Political Uncertainties

The Firm, the Market Neutral Portfolios, and their affiliates are subject to a variety of governmental regulations in the United States and other jurisdictions that may result in additional compliance costs and other burdens and otherwise impact the performance of the Market Neutral Portfolios. It is difficult to predict what changes in regulations may be instituted in the future, in addition to those changes already proposed or adopted in the United States or other jurisdictions.

The legal, tax and regulatory environment for alternative investment funds, investment advisers, the instruments they utilize and the markets in which they trade are continuously evolving. In addition to legal, regulatory and tax changes, there may be other unanticipated changes, including political developments. Such uncertainty may be detrimental to the efficient functioning of the financial markets and the success of certain products and strategies. Any changes to current regulations or any new regulations could have a material adverse effect on the Market Neutral Portfolios (including by reducing the attractiveness of an applicable investment strategy, imposing material costs on the Market Neutral Portfolios, reducing investment opportunities, or requiring a significant restructuring of the manner in which the Market Neutral Portfolios, the Firm or its affiliates are organized or operated).

POTENTIAL CONFLICTS OF INTEREST

The non-exhaustive information contained below describes certain potential material conflicts of interest relating to the Firm's advisory services. No list of potential conflicts of interest can be expected to be full and complete. Each prospective investor should review the relevant disclosure documents and operating agreements carefully, and consult their individual financial, legal or tax advisor prior to making an investment. Information about what offering documents and operating agreements are available for review by a prospective investor, along with applicable copies of such documents, is available by contacting the Firm at (214) 871-5200 or info@rgalts.com.

Other Client Accounts

Although not applicable at this time, the Firm may manage other Client accounts on a future date, some of which may have objectives similar to those of the Market Neutral Portfolios. These accounts may include pooled investment vehicles and separate accounts which may be managed by the Firm or an affiliate and in which the Firm or an affiliate may have an equity interest. In addition, the portfolio management team for the Firm may be employed by

investment advisers unaffiliated with the Firm; and, therefore, advise portfolios which are not affiliated with the Firm.

Other Activities

The portfolio investment managers may engage in unrelated activities for other firms or companies in addition to servicing as portfolio investment managers for the Firm. Activities such as these could detract from the time a manager devotes to the affairs of the Firm and the Market Neutral Portfolios.

Personal Trading

Potential conflicts may arise with respect to Firm employees' personal trading activities in relation to trading on behalf of the Firm's Clients. An employee trading security in his or her account prior to trading the same security on behalf of Clients (commonly known as "front-running") is an example of such a conflict. To mitigate this conflict, the Firm prohibits employees from purchasing individual securities for their own accounts without prior written approval from the Firm's compliance team. In addition, employees of the Firm are required to receive pre-clearance from a member of the Firm's compliance team ("Compliance") prior to selling an individual security owned in a personal account. Additional information regarding the Firm's Personal Trading Policy may be found in **Item 11 – Code of Ethics**.

Soft Dollar Credits

The Firm seeks to employ a soft dollar policy that falls within the safe harbor established by Section 28(e) of the Securities Exchange Act of 1934 ("1934 Act"). The Firm's use of soft dollar credits to pay for research and brokerage products or services might otherwise be borne by the Firm. Accordingly, the authority to use soft dollar credits may give the Firm an incentive to select brokers or dealers for securities transactions, or to negotiate commission rates or other execution terms, in a manner that takes into account the soft dollar benefits received by the Firm rather than giving exclusive consideration to the interests of the Firm's Clients. Additional information regarding the Firm's use of soft dollars and broker selection may be found in **Item 12 – Brokerage Practices**.

Investing in the Market Neutral Portfolios involves risk of loss that investors should be prepared to bear.

Item 9 – Disciplinary Information

This section requires registered investment advisers and management personnel to disclose all material facts regarding any legal or disciplinary events that would be material to an investors' evaluation of the Firm or the integrity of its management. The Firm and management personnel have no legal or disciplinary events to disclose.

Item 10 – Other Financial Industry Activities and Affiliations

RG Liquid Alts, LP is affiliated with six investment advisers by virtue of common control and ownership by Ranger Capital Group Holdings, L.P. (“RCGH”). The Firm and each of its investment advisory affiliates mentioned below maintain independent investment teams and processes; and focus on different investment strategies. Ranger Shared Services, LLC, a wholly owned subsidiary of RCGH, provides operations, marketing and investor relations support to the Firm and its affiliates.

- Ranger Investment Management, L.P. manages investment portfolios which consist of U.S. exchange traded equity securities of primarily small and/or m capitalization growth-oriented companies.
- Ranger International Management, LP manages investment portfolios which consist of long-only (i) global income and growth, and (ii) international equity portfolios.
- Ranger Alternative Management, L.P. serves as a sub adviser to and has day-to-day portfolio management responsibilities with respect to a short only actively managed exchange traded fund known as the Ranger Equity Bear (ticker symbol **HDGE**). Portfolio investments generally include short sales of domestically traded mid- and large-cap U.S. exchange-traded equity securities.
- Ranger Alternative Management II, LP manages investment portfolios which consist of consumer and business debt instruments originated by direct lending platforms.
- Ranger Advisors, L.P. manages fund-of-funds investment portfolios which primarily invest in Ranger affiliated strategies and to a lesser extent unaffiliated long/short hedge funds, on behalf of a closely held group of accredited investors.
- Meros Investment Management, LP manages investment portfolios which consist of U.S. exchange traded equity securities of primarily micro capitalization companies.

All RCGH affiliated investment advisers are registered with the U.S. Securities and Exchange Commission (the “SEC”) in accordance with the Investment Advisers Act of 1940. Registration as an investment adviser does not imply any level of skill or training. Additional information with respect to RCGH affiliated investment advisers may be obtained on-line at www.rangercapital.com.

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

As a fiduciary, the Firm has an affirmative duty to act in the best interests of its Clients and to make full and fair disclosure of all material facts, particularly where the Firm’s interests may conflict with those of its Clients. The Firm’s Code of Conduct and Code of Ethics (the “Code”) serve as behavioral benchmarks from which the Firm establishes its compliance program. Briefly, the Code requires each Firm employee to act with integrity, competence, diligence, respect, and in an ethical manner when dealing with current and prospective Clients, the Firm,

other employees and colleagues in the investment profession, and other participants in the global capital markets. The Firm expects employees to place the interests of Clients and the Firm above their own personal interest and to avoid any actual or potential conflicts of interest. ***Among other things, the Firm's Code of Ethics requires that all employees comply with applicable provisions of the federal securities laws and report in a timely manner any violations or potential violations of the Firm's compliance policies and procedures to the Chief Compliance Officer.***

Personal Trading Policy

Personal trading by employees of the Firm may create potential conflicts of interest with respect to the portfolios the Firm manages on behalf of its investors. Primarily, personal trading by employees of the Firm, without the implementation of proper policies and procedures, may create the risk that such personal trading “front runs” Client trading and thereby either reduces available liquidity and/or alters the trading price of a security to a Client's detriment. In addition, personal trading by employees may increase the risk of abuse of material, nonpublic information,

The Firm's policies and procedures seek to ensure that personal securities trading by employees of the Firm are conducted in such a manner as to avoid any abuse of an individual's position of trust and responsibility and to ensure adherence to the Firm's fiduciary duty. The Firm requires that employees seek prior approval and pre-clearance from a member of the compliance department prior entering into any personal trading transaction, in order for the Firm's compliance department to supervise such trading activity and mitigate the potential conflict of interest associated with personal trading.

In addition, the Firm has procedures to prevent the abuse of material, non-public information, which includes procedures for, among other things, the use and maintenance of restricted trading lists. For additional information with respect to the policies and procedures the firm has implemented to mitigate conflicts associated with personal trading, please see **Item 11 – Code of Ethics** or by contacting the Firm at (214) 871-5200.

In addition to personal trading activities, other policies and procedures found in the Code of Ethics provide guidelines the Firm and/or employees follow with respect to:

- Insider Trading
- Political Contributions
- Outside Business Activities
- Gifts and Entertainment

A copy of the Firm's Code of Ethics is available to current and prospective Clients upon written request to **info@rgalts.com**.

Item 12 – Brokerage Practices

The Firm has complete investment and brokerage discretion over its Client account.

Broker Selection and Transactions

The Firm selects brokers for its securities transactions based on a number of factors, including, but not limited to, the ability to effect prompt and reliable executions at favorable prices (including the applicable dealer spread or commission, if any); the operational efficiency with which transactions are effected, taking into account the size of an order and the difficulty of execution; the financial strength, integrity and stability of the broker; the broker's risk in positioning a block of securities; the quality, comprehensiveness and frequency of available research products or other services the Firm considers to be of value; and the competitiveness of commission rates in comparison with other brokers satisfying the Firm's other selection criteria.

With respect to research and brokerage products or services provided by brokers dealers, the Firm seeks to maintain a soft dollar policy that falls within the safe harbor established by Section 28(e) of the Securities Exchange Act of 1934 ("1934 Act"). Research and brokerage services, as that term is used in Section 28(e), may include both services generated internally by a broker's own research staff and services obtained by the broker from a third party research firm. The research and brokerage services obtained may include a broad variety of financial related information and services, including written or oral research and information relating to the economy, industries or industry segments, a specific company or group of companies, software or written financial data, electronic or other quotations or market information systems, financial or economic programs or seminars, or other similar services or information believed to assist the Firm and its advisory functions and services. The Firm believes that its ability to obtain such products and services is an integral factor in the level of the advisory fees charged to Clients.

Generally, the Firm will attempt to place portfolio transactions with broker dealers who, in its opinion, provide the best combination of price and execution (including brokerage commissions). However, the Firm may pay a broker-dealer a commission for effecting a transaction in excess of a commission charged by another broker or dealer as long as the Firm makes a good faith determination that the amount of commission is reasonable in relation to the value of the brokerage and research services provided by the broker-dealer.

The Firm maintains formal and informal internal allocation procedures to identify those brokers who provided it with research and execution services that the Firm considers useful to its investment decision-making process. The amount of commission allocated to any broker will be based, in part, on the cost of such research to the broker, and the amount allocated may be higher than that which the Firm would pay for the research were it to pay for it in cash using its own funds.

Clients should consider that there is a potential conflict of interest between their interests in obtaining best execution and the Firm's receipt of and payment for research through brokerage allocations as described above. To the extent the Firm obtains brokerage and research services that it otherwise would acquire at its own expense, the Firm may have incentive to place a greater volume of transactions or pay higher commissions than would otherwise be the case.

The soft dollar research and brokerage services the Firm obtains normally benefits many accounts rather than just the one(s) for which the order is being executed, and not all research may be used by the Firm in connection with the account(s) which paid commissions to the broker providing the research. For example, the Firm may use the commissions paid by its Clients who invest in mid cap securities to obtain small cap securities research services. In this situation, the small cap securities research may benefit only a select group of the Firm's Clients which is different from the group whose commissions generated the soft dollar credits.

Best Execution Reviews

On at least a quarterly basis, the Firm holds a best execution review meeting to determine the value each broker dealer brought to the Firm over the previous three (3) month period. In attendance at the meeting are members of the Firm's investment team, traders and a compliance officer. At the meeting, the participants address issues such as, but not limited to, execution quality, research quality, broker responsiveness, and access to analysts and company management. The meeting participants generally discuss issues with respect to the active broker-dealers on the approved list to determine whether the commissions earned are commensurate with the value received from the broker-dealers. Following the review, the trader makes appropriate revisions and, together with the compliance department, documents the results of the best execution review.

Periodically, as part of the best execution review, members of the investment team, traders and a compliance officer will discuss general soft dollar activities and possible changes, if any, to the list of all soft dollar services. Examples of soft dollar issues discussed during the best execution review may include:

- Changes to the current level of service
- Prospective products and services being considered
- Services that are not being fully utilized, are obsolete or redundant and should be eliminated
- Whether the soft-dollar budget targeted for the current quarter or year are in line with the budgeted amounts
- Mixed-use allocation determinations

the Firm's compliance department documents and maintains information discussed during the best execution review.

Order Aggregation and Allocation

Generally, the Firm aggregates trades for the same security in the same strategy and allocates Client orders on a *pro rata* basis electronically prior to making a trade using an order management system, . Client orders will be reviewed and monitored on a real-time basis. All accounts with similar investment guidelines are managed *pari passu*. Trading is not segmented

across product platforms. The trading desk centrally manages all trades. The Firm aggregates trade orders to seek best execution. However, in any case in which the Firm believes that aggregation is not consistent with its duty to seek best execution for its Clients, it will not affect the transaction on an aggregated basis. On such occasions, the Firm's trader will report such exception along with the basis for such exception to the compliance department in order to appropriately document such exception within an exception report.

Soft Dollar Reviews

In addition to initial reviews, the Firm conducts quarterly periodic evaluations of its soft dollar products and services to, (1) ensure the products and services continue to provide the value to the investment manager which was originally established upon the initial evaluation; and, (2) prepare an annual soft dollar program which it believes is in the best interest of the Firm's Clients. Compliance reviews the annual soft dollar items to ensure the products and services meet Section 28(e) requirements.

Each month, a member of the accounting department reviews and verifies all invoices for soft dollar products and services and then submits them to the trader for verification. The invoices are time stamped and dated, and then forwarded to the soft dollar broker for payment. The soft dollar broker submits a monthly summary of all payments made for research, as well as a detailed listing of commissions generated with the executing soft dollar brokers. A member of the accounting department reviews all research payments and the trader reviews commissions to ensure payments between the commission list submitted by the soft dollar broker(s) and a commission report generated by the Firm's portfolio management system has been properly reconciled. The soft dollar broker(s) resolves any issues, and any unresolved disputes will be promptly brought to the attention of the compliance department and the Chief Financial Officer.

Mixed-Use Soft Dollar Products and Services

In some instances, brokerage and research products or services the Firm receives may also be used by the Firm for functions that are not entirely brokerage or research related (i.e. not related to the investment decision-making process). Where a research or brokerage product or service has a mixed-use, the Firm will make a reasonable allocation according to its use and will pay for the non-research or non-brokerage portion in cash using its own funds. The Firm generally bases its mixed-use allocation decisions on a reasonable combination of factors such as, but not limited to:

- The percentage of time devoted to the Firm's use of the product for research or brokerage in relation to non-research or non-brokerage applications;
- The relative value of the product for each use as the compliance department determines to be reasonable and appropriate; and,
- The availability and value of comparable products and services.

The compliance department oversees the evaluation of all mixed-use soft dollar items upon initial receipt of the product or service, and then again on a periodic basis. Evaluation results,

along with guidance from the COO/CFO, assist Compliance in the establishment of a final mixed-use allocation decision.

Item 13 – Review of Accounts

Each account is reviewed and valued on a daily basis or more frequently if triggered by market or economic conditions. At this time, there is only one account requiring review. Members of the investment staff review each account in a manner consistent with the investment goals of each account. Under the supervision of the Chief Financial Officer, members of the Firm's accounting and operations staff review the accounts' valuation, including net asset value calculations, securities positions and pricing information, interest accrual calculations, and cash balance reports generated by the Firm's accounting system, custodian, prime broker and brokerage firms on a monthly basis. An independent public accounting firm performs an annual audit of the books and records of the Tactical Market Neutral Mutual Fund.

The Firm typically remits quarterly and annual written reports to its Clients, which set forth various financial data and information. The Firm's operations staff, supervised by the COO/CFO, reviews the accounts' valuation, including net asset value calculations, securities positions and pricing information, interest accrual calculations, and cash balance reports generated by the Firm's accounting system, custodian, prime broker and/or brokerage firms. Investors in the Tactical Market Neutral Mutual Fund receive an audited annual financial report and the information necessary for the investor to complete annual federal income tax returns.

Item 14 – Client Referrals and Other Compensation

The Firm may enter into written agreements with an affiliated or unaffiliated marketing group or individuals that will solicit investors on behalf of the Tactical Market Neutral Mutual Fund. As compensation for their solicitation services, such marketing groups or individuals may receive a percentage of the Firm's Management Fees as attributable to such Fund. The fees paid to a marketing groups or individuals are not charged back to the Clients or investors who have been solicited by these groups or individuals. Clients and/or investors pay the same fees to the Tactical Market Neutral Mutual Fund or the Firm as they would have had they not been referred by such marketing groups or individuals.

The Firm does not currently offer separately managed accounts. However, compensation arrangements with an affiliated or unaffiliated third-party for client or investor referrals with respect to separately managed accounts are subject to Rule 206(4)-3 under the Adviser's Act, which among other requirements, requires disclosure of any solicitation payments. As such, to the extent the Firm pays a referral fee with respect to any separately managed account, the Firm or the Firm's placement agent will provide disclosure to said Investor prior to subscription date of such investor.

The Firm's arrangements with an affiliated or unaffiliated marketing group or individuals may result in a potential conflict of interest by creating an incentive for the marketing group to recommend the Tactical Market Neutral Mutual Fund or the Firm's investment advisory products and services based on compensation received rather than the investor's needs. However, because the Firm pays such compensation out of the Management Fees it collects

from a Client, such Client may be indirectly impacted pursuant to the level of Management Fees it is able to negotiate with the Firm.

Item 15 – Custody

The Firm does not take possession of investor funds or securities for Tactical Market Neutral Mutual Fund.

The Firm strongly encourages investors and their advisors to closely monitor their account statements, audited financial statements and any other important investment related materials they receive from the Firm. Any potential discrepancies should be promptly brought to the Firm's attention by contacting (214) 871-5200.

Item 16 – Investment Discretion

With respect to the Client account, the Firm has complete discretion over the selection and amount of securities to be bought or sold without obtaining consent or approval from investors (within the parameters established by the Offering Documents of the Tactical Market Neutral Mutual Fund or other investment products).

Discretionary authority only occurs upon full disclosure to the Client and authorization by such Client pursuant to the operative documents of the applicable investment products. Trades made by the Firm on behalf of Client accounts for which it has discretion will be in accordance with that portfolio's investment objectives and goals.

Item 17 – Voting Client Securities

Proxy Voting

The Firm votes proxies on behalf of the Tactical Market Neutral Mutual Fund and may vote proxies on behalf of separately managed accounts and other investment products. The Firm seeks to vote such proxies in the interest of maximizing shareholder value. To that end, the Firm takes great care to vote proxies in a way that it believes is consistent with its fiduciary duty. It is the Firm's policy to review each proxy statement on an individual basis and give consideration to both the short and long term implications of each proposal in which it votes. The Firm's Portfolio Managers and Sector Managers are responsible for identifying the proxies upon which the Firm will vote, voting the proxies in the best interest of Clients, and submitting the proxies promptly and properly.

The Firm has engaged the services of a third party proxy voting service (the "Proxy Service") to assist it with administration of the proxy voting process. In addition to general administration assistance, the Proxy Service also includes proxy voting recommendations based upon published research and guidelines it publishes. However, the Firm's proxy voting policies and case-by-case evaluation of each issue may result in proxy votes on certain issues that differ from Proxy Service recommendations.

The Firm's written proxy voting policies and procedures are available for review by investors in the Tactical Market Neutral Mutual Fund, separately managed accounts or other investment products. In addition, the Firm maintains a record of all proxy votes cast on behalf of each Client; such records are available for review by the Client upon written request to info@rrgalts.com.

Class Action Law Suits

From time to time, the Firm may receive notices regarding class action lawsuits involving securities that are or were held by the Market Neutral Portfolios. As a matter of policy, the Firm refrains from serving as the lead plaintiff in class action matters and also refrains from submitting proofs of claim where the Firm believes, in its sole discretion, which either the recovery amounts are likely to be negligible or such participation is not in the interest of the applicable account. As a result, the Firm, may on behalf of Clients forgo participation in class action law suits.

Item 18 – Financial Information

The Firm has no known financial commitment that impairs its ability to meet contractual and fiduciary commitments to Clients. In addition, the Firm has never been the subject of a bankruptcy petition.