

RECURRENCE TECHNOLOGIES LLC

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This “**Brochure**” provides information about the qualifications and business practices of Recurrence Technologies LLC. If you have any questions about the contents of this Brochure, please contact Ryan Dinsmore, Chief Compliance Officer (“**CCO**”) of Recurrence Technologies at (551) 256-7380 or by email at rdinsmore@mathisys.com. The information in this Brochure has not been approved or verified by the United States Securities and Exchange Commission (“**SEC**”) or by any state securities authority.

Registration of an investment adviser does not imply that Recurrence Technologies LLC or any of its principals or employees possesses a particular level of skill or training in the investment advisory business or any other business. Additional information about Recurrence Technologies LLC is available on the SEC’s website at www.adviserinfo.sec.gov.

Item 2: Material Changes

There have been no material changes to Recurrence Technologies LLC's business since the 120-day Amendment filing in October 2019.

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Item 4: Advisory Business

Recurrence Technologies LLC ("**Recurrence Technologies**," "**we**," "**us**," "**our**" or the "**Firm**") is an investment adviser organized in April 2019. The Firm provides investment sub-advisory services to a single client (the "**Client**") under an exclusive arrangement. This arrangement is governed by an Account Management Agreement (the "**Agreement**").

Recurrence Technologies employs a quantitative investment approach trading primarily in liquid equities and derivatives related to those equities. We seek to provide our Client with capital appreciation over time.

As of December 31, 2019, our regulatory assets under management (RAUM) are \$75,000,000 which we manage on a discretionary basis.

Item 5: Fees and Compensation

Recurrence Technologies is reimbursed by its client for various expenses including data, technology, compliance and other business expenses.

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

The Firm is entitled to receive a "**Performance Fee**" from the Client that is calculated based upon a percentage of the net capital appreciation of the Client's account, subject to a "loss carry-forward" provision. The performance allocation is in accordance with the available exemption set forth Rule 205-3 of the in Advisers Act. By its nature, a performance-based fee appears to provide an adviser with an incentive to make investments that are riskier or more speculative than would otherwise be the case. Our Client has engaged us to achieve capital growth and the nature of the Performance Fee has been disclosed to the Client.

Item 7: Types of Client

The Firm currently provides sub-advisory services solely to the Client.

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

Methods of Analysis & Investment Strategy

To achieve our goal of providing risk adjusted returns for our Client, we use a quantitative approach. Our researchers develop proprietary trading models that attempt to predict and capitalize on future asset price movements. These models are created on the basis of extensive historical data using human skill, market experience, and technology to identify patterns and market inefficiencies. Multiple trading models are combined into a single portfolio. The research and development process is continuous with new models being discovered and implemented over time. The models are subject to our risk framework which controls for beta, liquidity, volatility, position size, sector, and other factors. Trades are generally executed systematically, although the portfolio manager reserves the right to override the system particularly in periods of extreme market stress or unusual circumstances. We anticipate having both US and international exposure, and holding both long and short positions.

Risk of Loss Factors

Investing in securities involves risk of loss that the Client and any future "**clients**" we may advise should be prepared to bear. Clients should consider the following factors before

investing. The following list of risk factors does not purport to be a complete enumeration or explanation of the risks involved in our management of any client's account.

Dependence on Key Personnel

The Firm has overall responsibility for the investment management of client's accounts. The Firm is dependent on the strategy and management expertise of Sudeep Gupta and if the Firm were to lose his services, clients could be adversely affected.

Trade Execution Risk

Many of our investment techniques require the rapid and efficient execution of transactions. Inefficient execution can impair realization of the market opportunities sought with such techniques.

Small to Medium Capitalization Companies

Recurrence Technologies may invest clients' accounts in the stocks of companies with small to medium-sized market capitalizations. While we believe these stocks may provide significant potential for profit, such stocks, particularly smaller-capitalization stocks, involve higher risks in some respects than do investments in stocks of larger companies. For example, prices of such stocks are often more volatile than prices of large-capitalization stocks. In addition, due to thin trading in some such stocks, an investment in these stocks may be less liquid than that of larger capitalization stocks.

Portfolio Turnover

Part of our investment strategy may involve the taking of frequent trading positions and, as a result, turnover and brokerage commission expenses may exceed those of other investment entities of comparable size. The frequent turnover of the portfolio may also lead to inefficient tax consequences for clients.

Technology Dependence

The Firm's trading systems, hardware, and software are vulnerable to temporary disruption, failure, inaccuracies, and/or security breaches, including, but not limited to: communication failures or inaccuracies; security quotation and data errors (whether as a result of software errors, automatic price or data misfeeds, or a dealer's mistype or mistake); system or software crashes; distortions; viruses; stolen passwords and/or unauthorized trades; signal power disruptions; and failures of internet reception or routing. System delay or failures can have negative results on investment selection and execution. The result of any system-related failure may be, but is not limited to: trades being executed without our authorization; trades not being executed according to instructions or criteria; or trades not being executed at all. The ability to recover certain losses or foregone profits due to such disruptions and failures may be subject to limits on liability imposed by system providers, the market, financial institutions, and/or the clearing house.

Model Risk

Our investment program is based substantially upon a number of quantitative approaches, systematic analysis, algorithms or other models. As with any model-driven or other quantitative strategy, the investment program and its resulting performance are subject generally to model risk (i.e., the consequences of any inaccuracy, flaw or limitation of the quantitative model). Models are generally based upon historical data, which is not indicative of the future performance of any investments. The Firm continually engages in the evaluation and refinement of investment models reflected in the strategies. We may also modify existing models, discontinue use of certain models or add other models or other investment methodologies in the future. Models to be employed are intended to identify and capture

favorable investment opportunities or to limit certain types of risks, or possibly both. However, there is no assurance that the use of any such models will necessarily fulfill their intended objectives or assure investment success in future markets and environments.

Emerging Markets

As part of our strategy, we trade in emerging markets. In addition to the risks associated with investments outside of the United States, investments in emerging markets (i.e., the developing countries) may involve additional risks. Emerging markets generally are not as efficient as those in developed countries. In some cases, a market for the security may not exist locally, and transactions are made on a neighboring exchange. Volume and liquidity levels in emerging markets are lower than in developed countries. When seeking to buy or sell emerging market securities, little or no market may exist for the securities. In addition, issuers based in emerging markets are not generally subject to uniform accounting and financial reporting standards, practices and requirements comparable to those applicable to issuers based in developed countries, thereby potentially increasing the risk of fraud or other deceptive practices. Furthermore, the quality and reliability of official data published by the government or securities exchanges in emerging markets may not accurately reflect the actual circumstances being reported. The issuers of some of non-U.S. securities, such as banks and other financial institutions, may be subject to less stringent regulations than would be the case for issuers in developed countries and therefore potentially carry greater risk. Custodial expenses for a portfolio of emerging markets securities generally are higher than for a portfolio of securities of issuers based in developed countries. Many of the laws that govern private and foreign investments, securities transactions, creditors' rights and other contractual relationships in non-U.S. countries, particularly in developing countries, are new and largely untested. As a result, investments may be subject to a number of unusual risks, including inadequate investor protection, contradictory legislation, incomplete, unclear and changing laws, ignorance or breaches of regulations on the part of other market participants, lack of established or effective avenues for legal redress, lack of standard practices and confidentiality customs characteristic of developed markets, and lack of enforcement of existing regulations. Regulatory controls and corporate governance of companies in developing countries may confer little protection for investors. Anti-fraud and anti-insider trading legislation is often rudimentary. The concept of fiduciary duty is also limited when compared to such concepts in developed country markets. In certain instances, management may take significant actions without the consent of investors. There can be no assurance that this difficulty in protecting and enforcing rights will not have a material adverse effect on the strategy and its operations. Furthermore, it may be difficult to obtain and enforce a judgment in certain non-U.S. countries in which assets of the strategy are invested.

Short Sales

Short sales can and, in certain circumstances, do substantially increase the impact of adverse price movements on the strategy's portfolio. A short sale involves the risk of a theoretically unlimited increase in the market price of the particular investment sold short, which could result in an inability to cover the short position and a theoretically unlimited loss. There can be no assurance that securities necessary to cover a short position will be available for purchase.

Item 9: Disciplinary Information

Recurrence Technologies has no disciplinary information to report.

Item 10: Other Financial Industry Activities and Affiliations

Recurrence Technologies is owned by Mathisys Advisors LLC. Mathisys trades financial instruments on a proprietary basis and may provide services to other entities that trade financial instruments. Such trades by Mathisys or other entities may conflict with or harm the strategies deployed by the Firm. Certain employees may work at or advise both Mathisys and the Firm so only a portion of their time may be spent working for the Client. Mathisys and Recurrence Technologies both use similar licensed Intellectual Property (“IP”), and such IP may be used by other entities. Mathisys and Recurrence Technologies may share certain technologies such as hardware, software, and data. Expenses related to shared technologies will be allocated to both entities. Both entities also utilize the technology and financial services of other firms. Such firms include Mathisys Advisors LLP (an India based licensed broker-dealer) and Mathisys Technologies Hellas (a firm based in Greece). Certain employees at these organizations may work on both Mathisys and our projects. We have established a variety of restrictions, procedures, and disclosures designed to address these potential conflicts. The Adviser has worked closely with its Client to disclose potential conflicts of interest and mutually establish these procedures.

Neither Recurrence Technologies nor its management personnel are registered as broker-dealers, and neither of firm has any application pending to register with the SEC as a broker-dealer or registered representative of a broker-dealer, respectively.

The Firm and its management personnel 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.

We do not recommend or select other investment advisers for our clients.

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

Pursuant to the Advisers Act’s Code of Ethics Rule, Recurrence Technologies has adopted a Code of Ethics and a Personal Trading Policy (together, the “Code”) that establishes various procedures with respect to investment transactions in accounts in which our employees or related persons have a beneficial interest or accounts over which an employee has investment discretion. For such accounts, trades in securities of companies that we have in our trading universe must be pre-cleared by the CCO. The spirit of the Code is to prohibit personal trading that violates the law and upholds our Firm’s fiduciary responsibility as an SEC-registered investment adviser.

All of our employees must direct their brokers to send duplicate brokerage statements to the CCO, or make similar alternative arrangements. These records are used to monitor compliance with the Code.

Recurrence Technologies absolutely prohibits the misuse or inappropriate communication of “inside information” (as defined in the Code) in connection with our securities transactions. Recurrence Technologies, as well as federal and state securities laws, also prohibits the practice of market manipulation, which includes conduct intended to deceive or defraud investors by controlling or artificially affecting the prices of securities.

The Code also includes the following provisions:

- Communications guidelines designed to assist employees in understanding their duties and responsibilities regarding the receipt and the communication of financial and other sensitive information.
- Any outside business activities employees wish to engage in must be disclosed to and approved by the CCO.
- Recurrence Technologies has adopted a policy regarding the giving and receiving of business gifts and entertainment.
- Recurrence Technologies has adopted a policy governing political contributions, the holding of public office and impermissible payments. This policy is designed, among other things, to address the requirements of the Advisers Act's Pay to Play Rule.

A copy of our Code is available to our Client and prospective clients who may request a copy by contacting our CCO, Ryan Dinsmore, by email at rdinsmore@mathisys.com, or by calling her at (551) 256-7380.

Item 12: Brokerage Practices

As an adviser and a fiduciary to client accounts, Recurrence Technologies requires that clients' interests must always be placed first and foremost, and our policies and procedures prohibit unfair trading practices. Recurrence Technologies seeks to disclose and avoid any actual or potential conflicts of interests or resolve such conflicts in a client's favor. The Firm has adopted the following policies and procedures to meet our fiduciary duty and to ensure our trading practices are fair.

Best Execution

Because the strategy has relatively high turnover, it is critical that Recurrence Technologies obtains "**Best Execution**" on behalf of any client. The duty to obtain Best Execution requires us to consider many factors when evaluating broker quality and determining where to route its trades in addition to price. Factors considered include quality of execution, commission cost, trade slippage, latency, systems reliability, access to various liquidity venues, counterparty risk, among others.

Item 13: Review of Accounts

The Client account managed by the Firm is reviewed on a daily basis from an operational standpoint for proper positions and correct accounting of profit and loss and account balances.

Item 14: Client Referrals and Other Compensation

Recurrence Technologies does not currently employ any third-party marketers or solicitors for client referrals.

Recurrence Technologies does not currently provide advice to parties other than the Client account, though it may do so in the future.

Item 15: Custody

The Firm does not have "custody" of the Client's funds or securities (as defined in the Advisers Act's Custody Rule) because, as sub-advisor to the Client's proprietary account, we have not been granted authority to access the Client's assets.

Item 16: Investment Discretion

Recurrence Technologies possesses discretionary portfolio management authority over a client account with respect to asset allocations and direct investments as per the applicable investment management agreement.

Recurrence Technologies has the authority to determine (i) the securities to be purchased and sold for client accounts (subject to restrictions on its activities set forth in the applicable investment management agreement and any written investment guidelines) and (ii) the amount of securities to be purchased or sold for client accounts.

Item 17: Voting Client Securities

To the extent Recurrence Technologies has been delegated proxy voting authority on behalf of any client account, the Firm complies with its proxy voting policies and procedures that are designed to ensure that the Firm votes proxies in the best interest of the client.

Currently, proxies are voted on a case-by-case basis and may or may not be in consultation with the Client. Any intended vote that is based on the Firm's subjective intent to (i) influence or control the management or operations of a company or (ii) act in any manner that constitutes or may reasonably be interpreted as activist investing or coordinated investing with another party, is subject to the additional requirements specified in the Client's policy concerning "Activist Investing and Coordination."

Any known conflicts of interest should be identified in the request to the Client and will be considered and resolved, as appropriate, by the Client.

Clients may obtain a copy of the Firm's Proxy Voting Policy and information on how the Firm voted proxies on our holding by contacting our CCO, Ryan Dinsmore, by email at rdinsmore@mathisys.com, or by calling her at (551) 256-7380.

Item 18: Financial Information

We are not required to include a balance sheet for our most recent fiscal year, are not aware of any financial condition reasonably likely to impair our ability to meet contractual commitments to our Client, and have not been in existence nor the subject of a bankruptcy petition at any time during the past ten years.