

Item 1: Cover Page

Aperture Investors, LLC
Part 2A of Form ADV
Firm Brochure

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This brochure provides information about the qualifications and business practices of Aperture Investors, LLC (“Aperture” or the “Adviser”). If you have any questions about the contents of this brochure, please contact us at [compliance @apertureinvestors.com](mailto:compliance@apertureinvestors.com). The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission (“SEC”) or by any state securities authority.

Additional information about Aperture is also available on the SEC’s website at: www.adviserinfo.sec.gov.

Item 2: Material Changes

Pursuant to disclosure rules under the Investment Advisers Act of 1940, as amended (the “Advisers Act”), the purpose of this brochure (the “Brochure”) is to provide new and prospective investors with clearly written, meaningful, current disclosure of its business practices, conflicts of interest and background of its advisory personnel. We encourage all recipients of this Brochure to read it carefully in its entirety.

This Item identifies the material changes made to this Brochure since the last annual amendment filed in March 2019, and is intended to assist investors and make them aware of certain information that has changed since the original filing of the Brochure and that may be important to them.

In addition to annual updates, the Adviser may make interim updates to this Brochure throughout the year. The following are material changes made since the last annual amendment filed in March 2019:

- Updating information throughout the Brochure to reflect that Aperture now serves as an investment adviser to multiple investment companies registered under the Investment Company Act of 1940, as amended (the “Investment Company Act”) as well as Undertaking for Collective Investment in Transferable Securities (*i.e.*, a UCITS) funds;
- Item 2: Replacing Kathleen Olin with James O’Connor as the interim Chief Compliance Officer of the Adviser as of February 12, 2020;
- Item 4: Updating the Advisory Services section to note the ability to delegate certain services to participating affiliates; and
- Item 8: Updating strategy and risk information related to new investment strategies.

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Item 4: Advisory Business

Firm Description:

Aperture was organized as a limited liability company under the laws of the State of Delaware in January 2018 and maintains its principal place of business in New York, New York. Aperture serves as investment adviser or sub-adviser to one or more series of investment companies registered under the Investment Company Act of 1940 (“Mutual Funds”) and Undertakings for Collective Investment in Transferable Securities (“UCITS”) funds (“UCITS Funds” and collectively with the Mutual Funds, the “Aperture Funds” or the “Funds”), and may on an occasional and select basis provide investment supervisory and management services to separately managed accounts.

Aperture is jointly owned by Peter Kraus, two Kraus family trusts and a wholly owned subsidiary of Assicurazioni Generali S.p.A. (“Generali”) and is funded by Mr. Kraus and Generali. Mr. Kraus is the Chairman and Chief Executive Officer of Aperture and he exercises day to day control over the Adviser’s operations. As of December 31, 2019, Aperture has approximately \$1,912,083,577 million in regulatory asset under management.

Advisory Services:

Aperture currently provides investment advisory services, to its various Mutual Funds and UCITS Funds. Aperture’s investment strategy will be tailored to the investment objectives of the Aperture Funds it manages, which shall impose restrictions on investing in particular securities or types of securities as described in the applicable prospectus. The Adviser’s investment advice relies on, and is a product of, its independent research. Aperture employs four investment strategies: emerging markets strategy, small blend equity strategy, global equity strategy and a long-short credit strategy, all of which are further discussed in Item 8.

For its advisory services to the Aperture Funds, Aperture receives performance-linked fees, explained more completely in Section 5 of this Brochure.

In providing investment management services to the Aperture Funds, Aperture draws upon the portfolio management, trading, research, operational and administrative resources of certain of its affiliates, including using affiliates to execute transactions for Aperture Funds. Subject to the written consent of the applicable Aperture Fund and the regulatory status of the affiliate, Aperture may treat these affiliates as “participating affiliates,” in accordance with applicable SEC no-action letters and guidance. Participating affiliates may be delegated the duty to place orders for certain securities and commodity interests transactions pursuant to an agreement between Aperture and the participating affiliate. As participating affiliates, certain employees of a participating affiliate are designated to act for Aperture and are subject to certain Aperture policies and procedures as well as supervision and periodic monitoring by Aperture. The participating affiliate agrees to keep certain books and records in accordance with the Advisers Act and to submit the designated personnel to requests for information or testimony before SEC representatives.

Item 5: Fees and Compensation

Aperture Funds:

Shares of each Aperture Fund shall be offered by means of a written prospectus which sets forth the details of the advisory fees and operating expenses paid by such clients. Aperture does not intend to charge any fees paid directly from an investor's investment (including those commonly described as load or sales charges).

With respect to Mutual Funds, Aperture's fees will generally consist of a performance-linked fee and will be calculated in compliance with Rules 205-1 and 205-2 under the Advisers Act (a fee structure commonly referred to as a "fulcrum" fee). With respect to the UCITS Funds, Aperture charges performance-linked fees which are not structured as fulcrum fees. Details regarding fee structures for Mutual Funds and UCITS Funds are disclosed in detail in their respective prospectuses.

In a fulcrum fee structure, each Aperture Fund that is a Mutual Fund will pay a management fee, accrued daily and paid not less than monthly, calculated as a percentage of the Aperture Fund's daily net assets. Each Aperture Fund's management fee will then be increased or reduced by a performance adjustment. The amount of the performance adjustment will be calculated based upon the Aperture Fund's annualized performance during a specified period relative to the annualized performance of a benchmark over the same period, up to a predetermined maximum adjustment amount and down to a predetermined minimum amount.

The Adviser has entered into an agreement with each Aperture Fund to waive fees and/or to bear expenses of the Aperture Fund so that the Aperture Fund's total expenses are capped at an agreed upon amount, subject to certain exceptions, consistent with the fee and expense disclosure in its relevant prospectus.

Managed Accounts:

In the future, Aperture may also provide investment advisory services to managed accounts. In this event, fees for managed accounts shall be negotiated on a case-by-case basis.

Brokerage and Other Fees:

Broker-dealers typically charge transaction fees on purchases or sales of securities, and account custodians may charge custodial fees.

Additional information about transaction expenses is contained in Item 12 of this Brochure entitled "Brokerage Practices."

As part of an overall investment strategy, some assets of an Aperture Fund may be invested in exchange-traded funds. Exchange-traded funds incur a separate layer of management fees and other expenses that are in addition to the management fees and other expenses charged directly to the Aperture Fund.

Portfolio Manager Compensation:

Aperture's manager compensation system is enabled by its fee model. Aperture believes that it aligns manager and investor incentives by incentivizing managers to generate outperformance over the long-term without taking excess risk.

- Managers shall receive base compensation that Aperture believes would be considered modest by industry-standards.
- In addition to base compensation, managers will be entitled to receive performance-linked compensation from a pool comprised of up to 35% of the earned performance-linked fee above the minimum fee paid to Aperture in any given year with respect to the managers' accounts, subject to management's discretion. Managers may also be awarded income units of the Adviser, subject to management's discretion. In the event that Aperture does not earn a performance-linked fee above the minimum fee on any of a manager's accounts in a given year, it is possible that the manager will not receive any compensation beyond the manager's base compensation. Such determinations will be left to the discretion of management.
- An amount up to 50% of the performance-linked compensation awarded to a manager shall be in the form of deferred compensation, half of which must be invested in the relevant fund or account managed by the manager, and the remainder is invested in an Aperture Fund. Deferred compensation shall be paid to the manager at the end of the second year after the year in which it was earned. At that time, total deferred performance compensation can be paid out as long as cumulative return over that three year period was equal to or greater than the return achieved in the year in which the manager earned the deferred performance-linked compensation. Deferred performance compensation shall be reduced by the amount of underperformance of that performance level. The reduction, if any, shall be determined by subtracting the three year cumulative performance of a manager divided by the performance in the year in which the performance-linked fee was calculated, from one. This resulting ratio multiplied by the deferred compensation shall be the amount by which the compensation is reduced; provided, however, that the reduction cannot be greater than the original amount of deferred performance-linked compensation. The net resulting amount shall then be paid to the manager, with any remainder returned to the Adviser. With respect to any returned manager compensation earned in relation to a fund or account, the Adviser may, typically within its discretion, waive fees and/or reimburse the expenses of such fund or account by the same amount.

Item 6: Performance-Linked Fees and Side-by-Side Management

Certain Aperture Funds' fees shall be performance-linked, commonly referred to as "fulcrum" fees, which are calculated in accordance with the rules and conditions set forth in Rules 205-1 and 205-2 of the Advisers Act. For more information about the calculation of fees, see Item 5 above.

Aperture may advise various types of client accounts, including the Mutual Funds, UCITS Funds and managed accounts. This variety of clients along with associated variations in investment strategies and possible fee arrangements may create potential conflicts of interest for Aperture. For example, the Adviser may recommend to clients securities in which a related person has established an interest independent of Aperture. Also, client accounts will be charged performance-linked fees, and some may be allowed to sell securities short that are held long in other client accounts. Moreover, it is possible that some investment professionals at Aperture may manage client accounts with these potential conflicts on a "side by side" basis with client accounts that do not have such characteristics. Consequently, these investment professionals may have an incentive to favor "conflicted" client accounts over other client accounts. Variations in performance-linked fees among clients may create an incentive for Aperture to direct the best investment ideas to, or to allocate or sequence trades in favor of, clients that pay or performance-linked fees or clients that pay a greater level of performance-linked fees than other clients.

Because of these inherent conflicts, the objective of the Aperture's policies and procedures is to act in good faith and to treat all client accounts in a fair and equitable manner, regardless of their strategy, fee arrangements or the influence of their owners or beneficiaries. Aperture has adopted various written policies to address the fair and equitable allocation of investment opportunities for different investment categories (e.g., government and corporate debt securities, foreign currencies, equities, etc.). These policies include those addressing the fair allocation of investment opportunities across client accounts, the best execution of all client transactions, and the voting of proxies, among others.

Performance-linked fees also create a conflict of interest for managers who may be incentivized to take on excessive risk in order to achieve high performance. Aperture seeks to mitigate this potential conflict by establishing investment restrictions and guidelines that it considers appropriate for such clients based on their investment objectives and risk tolerances. This potential conflict is also mitigated by the compensation structure of each manager, which ties a significant portion of their compensation to the three year cumulative excess return over a benchmark, not to performance in any single year alone.

Item 7: Types of Clients

Funds:

The Mutual Funds are organized as Delaware Statutory Trusts and registered under the Investment Company Act as open-end management investment companies. The UCITS Funds are organized as a public limited companies (*société anonyme*) incorporated under the laws of the Grand Duchy of Luxembourg as investment companies with variable share capital (*société d'investissement à capital variable*). Aperture serves as the investment manager to the Mutual Funds and the UCITS Funds, each of which is managed pursuant to one of Aperture's four investment strategies.

In addition to the Mutual Funds and UCITS Funds, Aperture expects from time to time to serve as the adviser or sub-adviser to one or more additional mutual funds, UCITS funds and separately managed accounts.

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

The investment strategies and risks of the Aperture Funds, and the Adviser's methodology for managing the Mutual Funds and UCITS Funds, are described in greater detail in the respective funds' prospectuses. Investors should refer to these offering documents for the most up to date information on the respective Aperture Fund's strategies and risks.

Emerging Markets Investment Strategy:

The Emerging Markets Investment Strategy (the "EM Strategy") focuses on emerging market countries where there are attractive risk-adjusted investment opportunities relative to those in developed countries, as determined by the Adviser. In making such determinations, the Adviser typically considers the volatility and country risk premium of an investment opportunity relative to comparable U.S. Treasury securities and makes its own determination of what constitutes an appropriate risk premium relative to the specific investment. The EM Strategy invests primarily in securities economically tied to emerging market countries. The EM Strategy invests in a broad range of fixed-income and equity securities in emerging markets and across all fixed-income sectors, including government and corporate debt securities, as well as foreign currencies. The EM Strategy may invest in both investment-grade securities and non-investment grade high yield securities ("junk bonds"), as well as unrated securities, in which case the Adviser may internally assign ratings to those securities, after assessing their credit quality.

The investments may be denominated in local currency or be U.S. dollar-denominated. The EM Strategy may invest in debt securities with a range of maturities from short- to long-term.

The Adviser considers a security to be "economically tied" to an emerging market country if the issuer of the security exhibits one or more of the following characteristics: (1) the issuer's principal securities trading market is in an emerging market country; (2) while traded in any market, alone or on a consolidated basis, the issuer derives 50% or more of its annual revenues or annual profits from either goods produced, sales made or services performed in emerging market countries; (3) the issuer has 50% or more of its assets located in an emerging market country; or (4) the issuer is organized under the laws of, and has a principal office in, an emerging market country.

An "emerging market" country is any country determined by the Adviser to have an emerging market economy, taking into account a number of factors. These factors may include whether the country has a low- to middle-income economy according to the International Bank for Reconstruction and Development (also known as the World Bank), the country's foreign currency debt rating, its location and neighboring countries, its political and economic stability and the development of its financial and capital markets. These countries may include those located in Latin America and the Caribbean, Asia, Africa, the former Soviet Union, the Middle East and the developing countries of Europe (primarily Central and Eastern Europe).

The EM Strategy may involve the use of listed and OTC derivatives, including without limitation, options, futures contracts, swaps and currency forward contracts, for the purpose of efficient portfolio management (i.e., attempting to reduce risks, reduce costs and/or increase the return of a fund or account) and/or to attempt to hedge (protect) the value of a fund or account's assets.

Small Blend Equity Investment Strategy

The Small Blend Equity Investment Strategy (“Small Blend Strategy”) seeks to achieve its investment objective primarily by taking long and short positions in equity securities of companies that the Adviser believes are undergoing transformational change. An Aperture Fund that employs the Small Blend Strategy takes long positions in equity securities of companies that the Adviser believes are high quality companies with attractive valuations that are undergoing positive, fundamental changes. Examples of positive, fundamental changes may include: new management, technology initiatives, new product development, cost reduction, operational efficiencies and/ or acquisitions/divestitures. The Adviser believes that these types of changes can be transformational in their ability to accelerate revenue growth, operating income, cash flow and/or return of invested capital for a company. The Small Blend Strategy takes short positions in equity securities of companies that the Adviser believes are companies with unattractive valuations that are experiencing deteriorating fundamentals and/or structural challenges. Examples of deteriorating fundamentals may include: slowing revenue growth, contracting margins, declining market share and/or deteriorating returns. Examples of structural challenges may include: inflexible structure, entrenched management, competitive threats and/or weak pricing power. Further, the Adviser seeks to assess the risks and opportunities presented by certain environmental, social and governance (“ESG”) factors in concert with the fundamental analysis being performed. While these factors are considered, securities of issuers presenting ESG-related risks may be purchased and retained.

Under normal circumstances, the Small Blend Strategy will invest at least 80% of its net assets, plus any borrowings for investment purposes, in equity securities. The equity securities in which an Aperture Fund primarily invests are common stocks of North American companies, including initial public offerings (“IPOs”). For purposes of the 80% investment policy, however, equity securities also include exchange-traded funds (“ETFs”) and derivatives with economic characteristics similar to equity securities. The Small Blend Strategy may invest in both small capitalization companies and medium capitalization companies, and may invest in companies located in both the U.S. and non-U.S. developed market countries. An Aperture Fund that employs the Small Blend Strategy may also invest in derivatives, including swaps, to create long or short exposure without investing directly in the underlying assets, increase the return of the Aperture Fund and/or hedge (protect) the value of the Aperture Fund’s assets.

Global Equity Investment Strategy

An Aperture Fund that employs the Global Equity Investment Strategy (“Global Equity Strategy”) seeks to achieve its objective primarily by taking long and short positions in equity securities. When the Aperture Fund takes a long position, it purchases a security outright and will benefit from an increase in the price of the security. Similarly, when the Aperture Fund takes a long position through a derivative instrument, it will benefit from an increase in the price of the underlying instrument. When the Aperture Fund takes a short position, it borrows the security from a third party and sells it at the then current market price. The Aperture Fund is then obligated to buy the security on a later date so that it can return the security to the lender. When the Aperture Fund takes a short position, it will benefit from a decrease in the price of the security and will incur a loss if the price of the security increases between the time it is sold and when the Aperture Fund replaces the borrowed security. Similarly, when the Aperture Fund takes a short position through a derivative

instrument, it will benefit from a decrease in the price of the underlying instrument and will incur a loss if the price of the underlying instrument increases. The Global Equity Strategy may reinvest the proceeds of its short sales by taking additional long positions, thus allowing it to maintain long positions in excess of 100% of its net assets.

In selecting investments in the pursuit of outperformance, original, primary research shapes the Adviser's perspective on key conditions that make stocks attractive longs (or shorts). The Adviser's process is grounded in the philosophy of life cycle investing and the belief that stock prices are driven by a cycle of investor behavior. Specifically, the Adviser endeavors to identify companies whose stock price reflects under-appreciation or misunderstanding of four key metrics: 1) the addressable market (i.e., the revenue opportunity that exists within a market for a product or service), 2) operating margins, 3) underlying business economics, and 4) corporate management. In order to research and arrive at a differentiated viewpoint on these key metrics, the Adviser undertakes what it believes to be an in-depth diligence process that involves extensive reading of company and industry-related materials as well as in-person meetings with management teams, all supplemented by the running of proprietary data-driven screens designed to give it an advantage in security selection. Further, the Adviser seeks to assess the risks and opportunities presented by certain ESG factors in concert with the fundamental analysis being performed. While these factors are considered, securities of issuers presenting ESG-related risks may be purchased and retained and considerable autonomy is given to the investment team in making such decisions.

The Global Equity Strategy is classified as "non-diversified," which means that it may invest a larger percentage of its assets in a smaller number of issuers than a diversified fund. Under normal circumstances, the Aperture Fund intends to hold long positions in securities for long periods (typically over two years).

Under normal circumstances, the Global Equity Strategy invests at least 80% of its net assets, plus any borrowings for investment purposes, in equity securities. Equity securities include common stock and depositary receipts (including American Depositary Receipts ("ADRs"), European Depositary Receipts ("EDRs") and Global Depositary Receipts ("GDRs")), which are certificates typically issued by a bank or trust company that represent ownership interests in securities of non-U.S. companies. The Aperture Fund may invest in equity securities of companies of any market capitalization, and may invest in U.S. and non-U.S. (including both developed and emerging market) companies. An "emerging market" country is any country determined by the Adviser to have an emerging market economy, taking into account a number of factors. These factors may include whether the country has a low- to middle-income economy according to the International Bank for Reconstruction and Development (also known as the World Bank), the country's foreign currency debt rating, its location and neighboring countries, its political and economic stability and the development of its financial and capital markets.

The Global Equity Strategy may also invest in derivatives, including options, futures contracts, swaps and forward foreign currency contracts, to create long or short exposure without investing directly in the underlying assets, increase the return of the Aperture Fund and/or hedge (protect) the value of its assets.

Long-Short Credit Investment Strategy

The objective of the Long-Short Credit Investment Strategy (“Credit Strategy”) is to implement an absolute return strategy to achieve income and capital growth by investing, either directly or indirectly, through the use of exchange-traded and OTC financial derivative instruments, in a portfolio of different asset classes with a focus on debt securities. The core portfolio of the Aperture Fund is invested in corporate debt securities and derivatives on corporate credit single names and indices, with an average equivalent rating of BB. The Aperture Fund shall mainly invest in a diversified basket of debt securities of issuers domiciled, or have substantial business interests in Europe or North America with no restriction in term of maturity or reference currency.

Investments in sub-investment grade credit rating¹ debt securities may vary from 0% to 100% of the applicable Aperture Fund's net asset. On an ancillary basis, the Credit Strategy may invest in a diversified basket of equities with no restriction on the geographical localization of the issuer including equity securities of closed-ended real estate investment trusts. Investments in the following debt securities are allowed up to the Aperture Fund's net assets below thresholds: contingent convertibles 20%; debt securities of issuers located in emerging market 20%; debt securities with a rating CCC or below are allowed up to 20% securities having a rating below C (or equivalent) are explicitly forbidden. The Credit Strategy may also invest into "Rule 144A" and/or Regulation S securities, which in accordance with US Law are not registered with the SEC. The Aperture Fund may hold, on a temporary basis and for defensive purposes, up to 100% of its net assets in liquidities such as cash deposits and money market instruments. The Aperture Fund may use financial instruments and derivatives for hedging purposes, for efficient portfolio management purposes and for investment purposes.

Aperture Funds employing this strategy may have a portfolio of global, liquid credit instruments reflecting a combination of bottom-up fundamental analysis and quantitative techniques to pursue returns in excess of Secured Overnight Financing Rate (SOFR) +2% with reduced correlation and drawdown risk throughout the market cycle. SOFR is a broad measure of the cost of borrowing cash overnight collateralized by US Treasury securities.

Principal Investment Risks:

There is no guarantee that any Aperture Fund will achieve its investment objective. An investor could lose money by investing in an Aperture Fund.

- **Counterparty Risk:** This risk is the possibility that a party to a transaction will default on its obligations and, thereby, fail to fulfill its side of a bargain or contract.
- **Credit Risk:** An issuer or guarantor of a fixed-income security, or the counterparty to a derivatives or other contract, may be unable or unwilling to make timely payments of interest or principal, or to otherwise honor its obligations. The issuer or guarantor may default, causing a loss of the full principal amount of a security and accrued interest. The degree of risk for a particular security may be reflected in its credit rating. There is the possibility that

¹ Credit rating below BBB- for Standard & Poor's or below Baa3 for Moody's or below BBB- for Fitch or an equivalent credit rating by a recognized credit rating agency or an equivalent credit rating as deemed by the Adviser.

the credit rating of a fixed-income security may be downgraded after purchase, which may adversely affect the value of the security.

- **Currency Risk:** Fluctuations in currency exchange rates may negatively affect the value of investments or reduce returns. The risks of currency transactions and exposures also may be heightened with respect to emerging market currencies. The Adviser may decide not to hedge, or may not be successful in hedging, an account's currency exposure.
- **Depository Receipts Risk:** Depository receipts, such as ADRs, are certificates evidencing ownership of shares of a foreign issuer that are issued by depository banks and generally trade on an established market. Depository receipts are subject to many of the risks associated with investing directly in foreign securities, including, among other things, political, social and economic developments abroad, currency movements and different legal, regulatory and tax environments.
- **Derivatives Risk:** Derivatives can be highly complex and may be illiquid, volatile, difficult to price, and leveraged so that small changes may produce disproportionate losses for the Fund. Derivatives also may be subject to counterparty risk, which includes the risk that the Fund may sustain a loss as a result of the insolvency or bankruptcy of, or other non-compliance by, another party to the transaction. Some derivatives are more sensitive to interest rate changes and market price fluctuations than others. There is also a risk that the Fund may not be able to close out or sell a derivative position at a particular time or at an anticipated price. When used for hedging, the change in value of a derivative may not correlate specifically with the security or other risk being hedged.
- **Duration Risk –** Longer-term securities tend to be more volatile than shorter-term securities. A portfolio with a longer average portfolio duration is more sensitive to changes in interest rates than a portfolio with a shorter average portfolio duration.
- **Emerging Market Risk:** Investments in emerging market countries are subject to all of the risks of foreign investing generally and have additional heightened risks because the markets are less developed and less liquid, and because these investments may be subject to increased economic, political, regulatory or other uncertainties. Investments in emerging market countries may subject to potential delays in settling portfolio transactions, currency and capital controls, greater sensitivity to interest rate changes, pervasiveness of corruption and crime, currency exchange rate volatility, and inflation, deflation or currency devaluation.
- **Environmental, Social and Governance Risk:** The Adviser may consider certain ESG factors as part of its decision to buy and sell securities. Applying ESG factors to the investment analysis may impact the investment decision for securities of certain issuers and therefore the Aperture Fund may forgo some market opportunities available to funds that do not use ESG factors. Securities of companies with ESG practices may shift into and out of favor depending on market and economic conditions, and performance of an Aperture Fund may at times be better or worse than the performance of funds that do not use ESG factors.
- **Extension Risk –** The risk that rising interest rates may extend the duration of a fixed income security, typically reducing the security's value.

- **Fixed Income Market Risk** – The prices of fixed income securities respond to economic developments, particularly interest rate changes, as well as to perceptions about the creditworthiness of individual issuers, including governments and their agencies. Generally, fixed income securities will decrease in value if interest rates rise and vice versa. In a low interest rate environment, risks associated with rising rates are heightened. Declines in dealer market-making capacity as a result of structural or regulatory changes could decrease liquidity and/or increase volatility in the fixed income markets. In the case of foreign securities, price fluctuations will reflect international economic and political events, as well as changes in currency valuations relative to the U.S. dollar. Corporate fixed income securities respond to economic developments, especially changes in interest rates, as well as perceptions of the creditworthiness and business prospects of individual issuers.
- **Foreign (Non-U.S.) Risk:** Investments in securities of non-U.S. issuers may involve more risk than those of U.S. issuers. These securities may fluctuate more widely in price and may be less liquid due to adverse market, economic, political, regulatory or other factors.
- **High Yield Risk:** Investments in fixed-income securities with lower ratings (commonly known as “junk bonds”) are subject to a higher probability that an issuer will default or fail to meet its payment obligations. These securities may be subject to greater price volatility, due to factors including corporate developments, negative perceptions of high-yield instruments generally and decreased secondary market liquidity.
- **Inflation Risk:** This is the risk that the value of assets or income from investments will be less in the future as inflation decreases the value of money. As inflation increases, the value of an Aperture Fund’s assets can decline as can the value of its distributions. This risk is significantly greater if an Aperture Fund invests a significant portion of its assets in fixed-income securities with longer maturities.
- **Interest Rate Risk:** Changes in interest rates will affect the value of investments in fixed-income securities. When interest rates rise, the value of existing investments in fixed-income securities tends to fall and this decrease in value may not be offset by higher income from new investments. Interest rate risk is generally greater for fixed-income securities with longer maturities or durations and may be heightened for investments in emerging market countries.
- **Investment Company Risk:** When an Aperture Fund invests in an investment company, including closed-end funds and ETFs, in addition to directly bearing the expenses associated with its own operations, it will bear a pro rata portion of the investment company’s expenses. Further, while the risks of owning shares of an investment company generally reflect the risks of owning the underlying investments of the investment company, the Aperture Fund may be subject to additional or different risks than if the Aperture Fund had invested directly in the underlying investments. For example, the lack of liquidity in an ETF could result in its share price being more volatile than that of the underlying portfolio securities.
- **Large Purchase and Redemption Risk:** Large purchases or redemptions of an Aperture Fund’s shares may force such Fund to purchase or sell securities at times when it would not otherwise do so, and may cause the portfolio turnover rate and transaction costs to rise, which may

negatively affect performance and have adverse tax consequences for Aperture Fund shareholders.

- **Laws and Regulations Risk:** An Aperture Fund may be subject to a number of legal and regulatory risks, including contradictory interpretations or applications of laws, incomplete, unclear and changing laws, restrictions on general public access to regulations, practices and customs, ignorance or breaches of laws on the part of counterparties and other market participants, incomplete or incorrect transaction documents, lack of established or effective avenues for legal redress, inadequate investor protection, or lack of enforcement of existing laws. Difficulties in asserting, protecting and enforcing rights may have a material adverse effect on an Aperture Fund and its operations.
- **Leverage Risk:** An Aperture Fund's use of derivatives may result in the total investment exposure substantially exceeding the value of its portfolio securities and the Aperture Fund's investment returns depending substantially on the performance of securities that may not be owned directly. The use of leverage can amplify the effects of market volatility on an Aperture Fund's share price and may also cause such Fund to liquidate portfolio positions when it would not be advantageous to do so in order to satisfy its obligations. An Aperture Fund's use of leverage may result in a heightened risk of investment loss.
- **Liquidity Risk:** Liquidity risk occurs when investments become difficult to purchase or sell. Difficulty in selling less liquid securities may result in sales at disadvantageous prices negatively affecting the value of an investment. Liquidity risk may result from low trading volumes, large positions and increased redemptions. Liquidity risk may be higher in a rising interest rate environment, when the value and liquidity of fixed-income securities generally decline. Liquidity risk may be heightened in emerging market countries as a result of their markets being less developed.
- **Management Risk:** It is possible that the investment strategies and techniques used by the Adviser will not produce the intended results. The Adviser will apply its investment techniques and risk analyses in making investment decisions, but there is no guarantee that an account's investment objective or return expectations will be achieved.
- **Market Risk:** The value of an Aperture Fund's assets will fluctuate as the bond or stock markets fluctuate. The value of its investments may decline, sometimes rapidly and unpredictably, simply because of economic changes or other events that affect large portions of the market.
- **New Fund Risk:** Because many of the Aperture Funds are new, investors in an Aperture Fund bear the risk that such Fund may not be successful in implementing its investment strategy, may not employ a successful investment strategy, or may fail to attract sufficient assets under management to realize economies of scale, any of which could result in an Aperture Fund being liquidated at any time without shareholder approval and at a time that may not be favorable for all shareholders. Such liquidation could have negative tax consequences for shareholders and will cause shareholders to incur expenses of liquidation.
- **Non-Diversified Risk:** An Aperture Fund may be non-diversified, which means that it may invest in the securities of relatively few issuers. As a result, an Aperture Fund may be more

susceptible to a single adverse economic or political occurrence affecting one or more of these issuers and may experience increased volatility due to its investments in those securities.

- Operational risk: This risk is the prospect of loss resulting from inadequate or failed procedures, systems or policies and may include, among others, employee errors, systems failures, criminal activity, cyber-breaches or any event that disrupts business processes.
- Prepayment Risk – The risk that, in a declining interest rate environment, fixed income securities with stated interest rates may have the principal paid earlier than expected, requiring the Adviser to invest the proceeds at generally lower interest rates.
- Short Exposure Risk: This risk results from short sales and includes the potential for losses exceeding the cost of the investment, as well as the risk that the third party to the short sale will not fulfill its contractual obligations.
- Small and Medium Capitalization Risk – The risk that small and medium capitalization companies may be more vulnerable to adverse business or economic events than larger, more established companies. In particular, small and medium capitalization companies may have limited product lines, markets and financial resources and may depend upon a relatively small management group. Therefore, small capitalization and medium capitalization stocks may be more volatile than those of larger companies. Small capitalization and medium capitalization stocks may be traded OTC or listed on an exchange.
- Sovereign Debt Securities Risk: Sovereign debt instruments are subject to the risk that a governmental entity may delay or refuse to pay interest or repay principal on its sovereign debt, due, for example, to cash flow problems, insufficient foreign currency reserves, political considerations, the relative size of the governmental entity's debt position in relation to the economy, or the failure to put in place economic reforms required by the International Monetary Fund or other multilateral agencies.
- U.S. Government Securities Risk – Although U.S. Government securities are considered to be among the safest investments, they are not guaranteed against price movements due to changing interest rates. Obligations issued by some U.S. Government agencies are backed by the U.S. Treasury, while others are backed solely by the ability of the agency to borrow from the U.S. Treasury or by the agency's own resources.

Additional Risks specific to the Long Short Credit Investment Strategy:

- Credit Default Swaps (“CDS”): A CDS is a bilateral financial contract in which one counterpart (the protection buyer) pays a periodic fee in return for a contingent payment by the protection seller following a credit event of a reference issuer. The protection buyer must either sell particular obligations, issued by the reference issuer at their par value (or some other designated reference or strike price) when a credit event occurs or receive a cash settlement based on the difference between the market price and such reference or strike price. A credit event is commonly defined as bankruptcy, insolvency, receivership, material adverse restructuring of debt, or failure to meet payment obligations when due. As protection seller, an Aperture Fund will seek a specific credit exposure to the

reference issuer – selling protection (by mitigating the counterparty risk) is economically equivalent to buying a maturity-matching floating rate note on the same reference entity. As protection buyer, an Aperture Fund may seek either to hedge a specific credit risk of some issuers in the portfolio or to exploit a negative view on a given reference entity. When these transactions are used in order to eliminate a credit risk in respect of the issuer of a security, they imply that an Aperture Fund bears a counterparty risk in respect of the protection seller.

- **Distressed Securities Risk:** Certain Aperture Funds may directly or indirectly purchase securities and other obligations of securities and other obligations of companies that are experiencing significant financial or business distress, including companies involved in bankruptcy, insolvency or other reorganization and liquidation proceedings (“Distressed Companies”). Although such purchases may result in significant returns, they involve a substantial degree of risk and may not show any return for a considerable period of time or any return at all. In addition, distressed investments may require active participation of an Aperture Fund and/or its representatives and this may expose the Aperture Fund to litigation risks or restrict its ability to dispose of its investments. There are a number of significant risks when investing in Distressed Companies that are or may be involved in bankruptcy or insolvency proceedings.
- **OTC Financial Derivative Instruments:** In general, there is less government regulation and supervision of transactions in OTC markets than of transactions entered into on organized exchanges. OTC derivatives are executed directly with the counterparty rather than through a recognized exchange and clearing house. Counterparties to OTC derivatives are not afforded the same protections as may apply to those trading on recognized exchanges, such as the performance guarantee of a clearing house. The principal risk when engaging in OTC derivatives (such as non-exchange traded options, forwards, swaps or contracts for difference) is the risk of default by a counterparty who has become insolvent or is otherwise unable or refuses to honor its obligations as required by the terms of the instrument.
- **Securitized Debt:** Certain Aperture Funds may have exposure to a wide range of ABS (including asset pools in credit card loans, auto loans, residential and commercial mortgage loans, collateralized mortgage obligations and collateralized debt obligations), agency mortgage pass-through securities and covered bonds. The obligations associated with these securities may be subject to greater credit, liquidity and interest rate risk compared to other fixed income securities such as government issued bonds. ABS and MBS are often exposed to extension and prepayment risks that may have a substantial impact on the timing and size of the cash flows paid by the securities and may negatively impact the returns of the securities. In certain circumstances investments in ABS and MBS may become less liquid making it difficult to dispose of them. As a result, an Aperture Fund’s ability to respond to market events may be impaired and such Aperture Fund may experience adverse price movements upon disposal of such investments.

All investing involves a risk of loss.

Item 9: Disciplinary Information

Aperture and its employees have not been involved in any legal or disciplinary events in the past 10 years that would be material to a client's evaluation of the company or its personnel.

Item 10: Other Financial Industry Activities and Affiliations

Aperture and its executive officers are principally engaged in providing investment advice.

Aperture's board of directors comprises eight board members. Mr. Kraus holds one seat and also is entitled to appoint three of six independent directors. Aperture's majority member, Generali, also holds one seat on the Adviser's board of directors and is entitled to appoint three of six independent directors. Generali is involved in other financial services businesses, including insurance. Moreover, Aperture has entered into a sub-advisory agreement with Generali Investments Luxembourg S.A. with respect to the Adviser's management of certain of the UCITS Funds.

Consequently, these relationships or arrangements with other financial services companies have the potential to pose conflicts of interest. Aperture, its executive officers, partners and directors shall endeavor to identify, disclose and mitigate any such conflicts of interests that may arise.

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

Code of Ethics:

Aperture has adopted a written code of ethics (the “Code”) that is applicable to all employees. Among other things, the Code requires Aperture and its employees to act in clients’ best interests, abide by all applicable regulations, avoid even the appearance of insider trading, and pre-clear and report on many types of personal securities transactions. The Code, and any subsequent amendments to the Code, is provided to all employees of Aperture and each employee is responsible for acknowledging receipt. Aperture’s restrictions on personal securities trading apply to employees, as well as employees’ immediate family members living in the same household. A copy of Aperture’s Code is available upon request.

Personal Securities Transactions:

Because personal securities transactions by an employee of an investment adviser may raise a potential conflict of interest when that employee owns or trades in a security that is owned or considered for purchase or sale by a client, or recommended for purchase or sale by an employee to a client, Aperture’s Code includes rules that are designed to detect, prevent and mitigate such conflicts of interest. Before an employee can engage in certain personal securities transactions, the Code requires that he or she obtain preclearance from Aperture’s Compliance Department. Moreover, the Chief Compliance Officer monitors employee trading, relative to client trading, to ensure that employees do not engage in improper transactions.

Aperture shall maintain a watch list of securities that are being considered for client accounts, as well as securities already held in client accounts. Any proposed employee transaction involving securities on the watch list requires preclearance from the Chief Compliance Officer. The Chief Compliance Officer does not grant preclearance where it would appear that an employee’s trading could disadvantage Aperture’s clients.

Under certain circumstances an employee might invest in a security that is not considered suitable for client accounts because of size, liquidity, or other factors. A change in these factors could result in the security becoming more suitable for clients at which time, in the sole discretion of the Chief Compliance Officer, the employee may either be required to divest such security or be prohibited from selling such security in order to mitigate any potential conflict of interest between employees and clients.

Outside Business Activities

Outside business activities of an employee of an investment adviser also may raise potential conflicts of interest depending on the employee’s position within Aperture and Aperture’s relationship with the proposed activity. Outside business activities may create a potential conflict of interest if they cause an employee to choose between that interest and the interests of him or herself, the outside business, Aperture, or any client of Aperture. Aperture employees are generally prohibited from serving on the board of directors or trustees or in any other management capacity

of any unaffiliated public company without prior written approval from the employee's supervisor and the Chief Compliance Officer.

Client Transactions:

Aperture does not manage any accounts that are funded with the Adviser's own money and are intended to create profits for the Adviser. Accordingly, Aperture typically does not compete with clients in the market for securities. Similarly, Aperture does not use its own money to trade as a counterparty with client accounts.

Conflicts of Interest:

Potential conflicts of interest may arise from time to time. When it becomes aware of such conflicts, Aperture will address or disclose such conflicts to its investment advisory clients, having a fiduciary relationship with such clients. In its fiduciary role, Aperture owes its investment advisory clients a duty of loyalty, which includes the duty to address, or disclose, conflicts of interest that may exist between different clients; between the Adviser and clients; or between its employees and clients. Where potential conflicts arise from its fiduciary activities, Aperture will take steps to mitigate and disclose them. Such steps can include mitigating the risk of the conflict developing and implementing written policies that Aperture believes protect the interests of its clients as a whole. By abiding by its policies and procedures Aperture believes that it handles these conflicts appropriately. Aperture's Chief Compliance Officer oversees the Adviser's efforts to address potential conflicts, including the careful and continuing consideration of the interaction of different products, business lines, operational processes and incentive structures at Aperture. Aperture does not believe that there are any conflicts at this time that pose material risks to its clients' interests.

Item 12: Brokerage Practices

Selecting Brokerage Firms:

Aperture shall rely upon brokers, dealers and other trading intermediaries to execute its client securities transactions. Generally, clients shall pay the transaction charges associated with the execution of their trades. The brokers, dealers and other vendors that Aperture expects to utilize for trade execution shall be selected by Aperture's trading personnel while observing the duty to select brokers, dealers and other trading venues that provide best execution for its clients.

Best Execution:

Generally speaking, the duty of best execution requires an investment adviser to seek to execute securities transactions for clients in such a manner that the client's total cost or proceeds in each transaction is the most favorable under the circumstances, taking into account all relevant factors. The lowest possible commission, while very important, is not the only consideration. Aperture's standards and procedures governing best execution are set forth in its written policies. Generally, to achieve best execution, the Adviser considers the following factors, without limitation, in selecting brokers and intermediaries: (1) execution capability; (2) order size and market depth; (3) ability and willingness to commit capital; (4) availability of competing markets and liquidity; (5) trading characteristics of the security; (6) availability of accurate information comparing markets; (7) quantity and quality of research received from the broker dealer; (8) financial responsibility of the broker-dealer; (9) confidentiality; (10) reputation and integrity; (11) responsiveness; (12) recordkeeping; (13) available technology; and (14) ability to address current market conditions.

Aperture shall regularly evaluate the execution, performance and risk profile of the broker-dealers it uses. Aperture's policy strictly prohibits the direct or indirect use of client account transactions to compensate any broker, dealer, intermediary or other agent for the promotion or sale of the Mutual Funds, services or other products. Moreover, Aperture's trading professionals are responsible for continuously monitoring and evaluating the performance and execution capabilities of brokers that transact orders for its client accounts to ensure consistent quality executions. This information is reported to the Adviser's Best Execution Committee, which oversees broker-selection issues.

Aperture shall select brokers primarily on the basis of their execution capabilities. However, the direction of transactions to such brokers may also be based on the quality and amount of research services they provide to the Adviser and indirectly to Aperture's clients. In accordance with SEC guidance, Aperture regularly considers whether a given service provides lawful and appropriate assistance to the investment management process and ensures the cost of the service bears a reasonable relationship to the value of the research or service received.

Trade Error Policy:

On occasion, Aperture may experience errors with respect to trades made on behalf of client accounts. Aperture endeavors to detect trade errors prior to settlement and to correct them in an expeditious manner. Aperture shall reimburse client accounts for losses directly due to trade errors

attributable to Aperture personnel in accordance with Aperture's trade error policy or a similar policy adopted by an Aperture Fund.

Broker Services:

As previously noted, Aperture shall select brokers primarily on the basis of their execution capabilities. However, in some instances, the direction of transactions to such brokers may also be based on the quality and amount of research services they provide to the Adviser and indirectly to its clients. These arrangements, known as soft dollars or soft commissions, are designed to supplement the Adviser's own internal research and investment strategy capabilities.

Also as previously noted, in accordance with SEC guidance, Aperture regularly considers whether a given service provides lawful and appropriate assistance to the investment management process and ensures the cost of the service bears a reasonable relationship to the value of the research or service received. The Adviser complies with the relevant regulatory rules of the jurisdictions within which it operates.

The research services made available to the Adviser through soft commission arrangements may include, without limitation: (1) written reports on individual companies and industries, general economic conditions, and other matters relevant to Aperture's investment analyses; (2) direct access to research analysts throughout the financial community; (3) mathematical models; (4) access to expert matching networks; and (5) proxy voting research services.

Pursuant to Section 28(e) of the Securities Exchange Act of 1934, as amended, Aperture is not required to use eligible research services in managing those accounts which generated the commissions used to acquire it. Accordingly, such services may sometimes be utilized in connection with accounts that may not have paid any or all commission to the relevant brokers. Similarly, although some clients may not generate commissions which result in research being provided, the client may still benefit from the research provided in connection with other transactions placed for other clients.

Soft commission arrangements benefit the Adviser because it does not have to pay for the research and services it obtains through them. While Aperture's policy is to seek best execution, it may select a broker for a portion of its trades which charges higher transaction costs if it determines in good faith that the cost is reasonable in relation to the value of the brokerage and research services provided. Despite these potential conflicts, Aperture believes that it is able to negotiate costs on client transactions that are competitive and consistent with its policy to seek best execution.

Item 13: Review of Accounts

Accounts under Aperture's management are monitored on an ongoing basis by the account's manager and Aperture's Chief Executive Officer ("CEO"). The manager shall review each account in detail on at least an annual basis, as well as in connection with each client meeting. On at least a quarterly basis the manager and the CEO shall review a number of reports that are designed to identify accounts that are outside the expected ranges for returns, exposure to asset classes, and exposure to industry sectors. Reviews of client accounts will also be triggered if a client changes his or her investment objectives, or if the market, political, or economic environment changes materially.

Periodic Reviews:

At least monthly, the managers of the Mutual Funds and UCITS Funds shall conduct a detailed review of the portfolio holdings of each portfolio to align its portfolio holdings with the investment strategy.

In the event that Aperture begins managing the investments for separately managed accounts, these clients will receive regular reports as to the holdings and transactions in their accounts directly from their account custodians.

Additional Review Triggers:

Client inquiries, changes in the general market outlook, changes in the tax laws, new investment information, and changes in the opinions of an account's manager on specific issues may prompt more frequent reviews of the portfolio holdings of some or all clients.

Commentary and Other Reports:

Aperture will prepare periodic written fund updates for the Mutual Funds and UCITS Funds, which will include commentary that discusses market conditions and the investment outlook.

Item 14: Client Referrals and Other Compensation

Aperture does not receive any other economic benefits from non-clients in connection with the provision of investment advice to clients.

Item 15: Custody

Account Statements:

All client funds and securities will be held at qualified third party custodians. These custodians will provide account statements at least quarterly. Account statements for the Mutual Funds will be sent directly to Aperture and the Mutual Fund's administrator. Account statements for the UCITS Funds will be sent directly to Aperture and the management company of the UCITS Funds. Each Aperture Fund is audited annually.

Item 16: Investment Discretion

Discretionary Authority for Trading:

Aperture has the authority to determine, without obtaining specific consent from the Mutual Funds or UCITS Funds, the securities to be bought or sold and the amount of the securities to be bought or sold for the Mutual Funds or UCITS Funds, respectively.

Limited Power of Attorney:

The Mutual Funds and UCITS Funds have granted Aperture a trading authorization that gives Aperture discretionary authority over Mutual Fund and UCITS Fund accounts, respectively.

Item 17: Voting Client Securities

In accordance with its fiduciary duty to clients and Rule 206(4)-6 of the Advisers Act, Aperture has adopted and implemented written policies and procedures governing the voting of client securities. All proxies that Aperture receives will be treated in accordance with these policies and procedures.

Aperture shall subscribe to the proxy voting services of Institutional Shareholder Services (“ISS”), which shall give effect to Aperture’s proxy voting considerations. Aperture considers the reputation, experience, and competence of a company’s management and board of directors when it evaluates a prospective investment. In general, Aperture votes in favor of routine corporate matters, such as the re-approval of an auditor or a change of a legal entity’s name. Aperture also generally votes in favor of compensation practices and other measures that are in-line with industry norms, that allow companies to attract and retain key employees and directors, that reward long-term performance, and that align the interests of management and shareholders. Aperture may supplement its evaluation of client proxies with guidance from ISS.

Aperture has not identified any material conflicts of interest in connection with its intended proxy voting policies and procedures. However, such a conflict could arise. If Aperture identifies a material conflict of interest it will follow the voting recommendation of the independent corporate governance consulting firm that it has retained.

A copy of Aperture’s proxy voting policies and procedures is available upon written request.

Item 18: Financial Information

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