

# **IKOS CIF Limited**

## **Form ADV Part 2A - *Brochure***

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This brochure provides information about the qualifications and business practices of IKOS CIF Limited. If you have any questions about the contents of this brochure, please contact us at: +357-2581-4714 or [cifregistration@ikos.com.cy](mailto:cifregistration@ikos.com.cy). The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority.

Additional information about IKOS CIF Limited also is available on the SEC's website at: [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

IKOS CIF Limited ("IKOS CIF"/ the "Company"/ the "Sub-Investment Manager") is a SEC registered investment adviser. SEC registration does not imply a certain level of skill or training.

Recipients of this Form ADV Part II should be aware that it is designed merely to provide information about IKOS CIF and should not be considered to be an offer of interests in any Fund. The Fund is a private investment vehicle qualifying for an exemption from the definition of "investment company" under the U.S. Investment Company Act of 1940, as amended, and will generally be offered pursuant to Regulation D under the Securities Act of 1933, as amended.

Item 2            Material Changes

This section provides only a summary of certain updates made to the brochure since its most recent filing made on March 30, 2020.

Item 4, item 5, item 7 and item 8 of this brochure have been revised to reflect the investment objective of IKOS and of its only share class in issue as of the date of this brochure. No other material changes were made to IKOS CIF's brochure since its last annual update on March 30, 2020.

Item 3            Table of Contents

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NOTE:

Terms in italics have the meanings set forth in the General Instructions for Form ADV.

## Item 4            Advisory Business

IKOS CIF was incorporated on December 29, 1995 under the laws of Cyprus and has been in business since that time. IKOS CIF is authorized and regulated by the Cyprus Securities and Exchange Commission ("CySEC") since November 1, 2005 and is registered as an Investment Adviser with the US Securities and Exchange Commission ("SEC") since January 31, 2006. On May 24, 2006 it also became a member of the National Futures Association ("NFA") and registered as a Commodity Pool Operator ("CPO") and a Commodity Trading Adviser ("CTA") with the Commodity Futures Trading Commission ("CFTC"). IKOS CIF is a member of the Standards Board for Alternative Investments ("SBAI"), (previously known as the Hedge Fund Standards Board ("HFSB")) since December 2009.

IKOS CIF acts as Sub-Investment Manager pursuant to a sub-delegation agreement with IKOS Asset Management Limited ("IKOS AM" or the "Investment Manager") being a Cayman Islands exempted private limited company. IKOS AM acts as the investment manager of IKOS (the "IKOS Fund" or the "Fund").

The IKOS Fund is an open-ended multi-class investment company structured to operate in a similar manner to an open-ended unit trust or mutual fund and is an exempted company formed under the laws of the Cayman Islands. The investment objective of the IKOS Fund is to achieve long-term capital growth with moderate risk by generating absolute returns independent of market direction. For each class issued by the IKOS Fund, IKOS CIF seeks to carry out its objective by following the policy and restrictions and investing as set out in the prospectus supplement applicable to that class. Each IKOS Fund class seeks to achieve its investment objective by investing its assets in investment companies managed by IKOS AM as set forth in the prospectus supplement applicable to each class. At the date of this form only one share class is in issue, The IKOS – Radian Hedge Fund Share Class.

IKOS CIF's investment advisory services pursuant to its sub-delegation agreement with IKOS AM include providing advice for adhering to the investment objectives of the IKOS Fund and each class therein, IKOS AM maintains oversight over portfolio and risk management of the IKOS Fund, each class and each investment company. IKOS AM exercises supervisory oversight over the portfolio management decisions of IKOS CIF, reviewing investment decisions regularly and on request, providing direction to IKOS CIF in terms of implementation of the investment objective and strategy, the direction of research, the investment in new technology, the choice of the investment securities, the on-boarding and maintenance of key relationships, regulatory experience and oversight, legal liaison and coordination. Amongst IKOS CIF responsibilities is also placing trade orders and monitoring existing and prospective investments in light of each class' objectives and risk parameters.

The investments of the Fund are managed in accordance with the prospectus supplement applicable to each class and are not tailored to any particular investor in the Fund. IKOS CIF does not provide investment advice to the Fund's investors. Therefore, prospective investors of the Fund should consider whether the Fund meets their investment objectives and risk tolerance.

IKOS CIF and IKOS AM also enter into trading advisory agreements with third party platform advisors and/or managed accounts following certain investment strategies of the IKOS Fund.

The direct owner of IKOS CIF is Felix Holdings Ltd, a limited liability company incorporated on December 25, 1995 under the laws of the Republic of Cyprus.

IKOS CIF provides advisory services on a sub-delegated basis to the Fund in accordance with the Fund's investment objectives, strategies and guidelines as set forth in the prospectus and the applicable supplement.

IKOS CIF does not tailor the investment decisions of the Fund to individual clients and clients generally will not be able to impose restrictions on the Fund's investments in certain securities or types of securities.

Client assets under management in portfolios sub-managed by IKOS CIF on a discretionary basis as of December 31, 2020 were \$23,944,549. There are no client assets under management in portfolios on a non-discretionary basis as of December 31, 2020.

#### Item 5 Fees and Compensation

IKOS CIF is compensated by IKOS AM for the services provided pursuant to the sub-delegation agreement between IKOS CIF and IKOS AM. Specifically, IKOS CIF receives a fee per investment strategy in relation to which IKOS CIF provides services to the Investment Manager, charged quarterly in arrears. The fees between IKOS AM and IKOS CIF may be negotiated from time to time. The fees paid to IKOS CIF are borne exclusively by IKOS AM and are not recharged to the Fund.

Fees charged to the Fund by IKOS AM include the following:

- **Management Fees:** IKOS AM is entitled to receive monthly management fees in relation to each share class it manages. Such management fees are a fixed percentage of the value of the Fund assets under management and are charged monthly in arrears. Management fees were equivalent to 2% of the net asset value of each respective share class, up until 1 November 2020. From 1 November 2020 onwards, management fees were reduced to 0.5% of the net assets value of each respective share class.
- **Performance Fees:** IKOS AM is also entitled to receive a quarterly performance-related fee, based on the net capital appreciation of each share of each class under management, after management fees and other expenses. Performance fees are equivalent to 20% of the increase in net asset value per share of each class under management, subject to a high-water mark.
- **Investment Manager Administration Fee:** Each share class of the IKOS Fund seeks to achieve its investment objective by investing assets in investment companies managed by IKOS AM. Each such

investment company pays IKOS AM an Investment Manager Administration Fee calculated as a percentage of its net asset value. The Investment Manager Administration Fee equals 0.3% per month of the net assets value of the related investment company, for the active investment companies. In return for this fee, IKOS AM is responsible for certain of the IKOS Fund's and each investment company's other administrative and operational expenses (such as expenses for legal and consulting services, regulatory compliance, registration fees and expenses due to supervisory authorities, insurance, and other costs of a similar nature).

The Fund's investment companies will also incur brokerage and other transaction costs (please refer to Item 12), fees paid to the Fund's administrator, custodian fees, auditor fees, and fund's director fees. The fees applicable to each Fund share class and each investment company are set out in detail in each of the Fund's main prospectus and each share class' respective offering documents.

IKOS CIF and its supervised persons do not accept compensation for the sale of securities or other investment products.

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

The only fees paid to IKOS CIF are from IKOS AM, as described in Item 5 above. IKOS CIF and its supervised persons do not accept performance-based fees.

The quarterly performance-related fees are charged to the Fund by IKOS AM and described in Item 5 above.

#### Item 7 Types of Clients

As noted above, pursuant to a sub-delegation agreement between IKOS CIF and IKOS AM, IKOS CIF acts as Sub-Investment Manager on behalf of the Fund managed by IKOS AM.

The Fund is offered only by its main prospectus and each share class' respective offering documents to investors who meet the relevant investor eligibility requirements. Please see the Fund's main prospectus and each share class' respective offering documents for more information on the investor eligibility requirements for the Fund.

Additionally, the Fund is subject to a minimum investment amount. This minimum investment amount may be raised or lowered from time to time. Please see the Fund's main prospectus and each share class' offering documents for more information on the investor eligibility requirements.

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

In its capacity as Sub-Investment Manager on behalf of the IKOS Fund managed by IKOS AM, IKOS CIF currently manages a suite of equity market neutral (statistical arbitrage) share classes currently concentrating on global equities, as well as futures and currency share classes employing systematic investment in currencies, interest rates, commodities, bonds and equity indices. The investment philosophy of IKOS AM, adopted by IKOS CIF, is to use global electronic markets to construct liquid portfolios of actively traded securities and futures.

IKOS AM owns the proprietary software used for the management of the Fund's investments, including software that implements internally developed mathematical models and trading algorithms. The sub-delegation agreement of IKOS CIF with IKOS AM regulates the use of IKOS AM's intellectual property by IKOS CIF for the purposes of the performance of the sub-investment functions.

IKOS AM pays for and takes ownership of state-of-the-art technology to generate alpha in the global markets. This trading philosophy is based on information processing, statistical analysis and quantitative forecasting models which rely on multiple data sources. Consistent performance in all IKOS strategies is targeted through diversification of sources of return. Forecasts are based on a combination of short-term time series analyses and robust econometric models using a number of fundamental and technical indicators. The models aim to forecast changes in the underlying economies of each region. These forecasts are executed systematically, and the Company aims to use comprehensive, best-of-breed risk control methods. The IKOS expertise in fully automated systematic methods is employed in all asset classes with similar investment processes being applied to each.

As of the date of this brochure, with respect to the IKOS Fund, there are three investment companies:

IKOS - Radian Diversified Ltd: IKOS - Radian Diversified Ltd invests in a broad range of financial instruments, including derivatives, spot FX, equities, and cash. Derivatives traded may include but are not limited to, futures, options, forwards and swaps dependent on stock indices, bonds, short-term interest rates, commodities, currency and cryptocurrency exchange rates, emissions and energy. The Investment Manager may choose to instruct the sub investment manager to reduce, close down, enter or exit positions, hedge risks, and block automated trading in whole or in part. Exposures may be hedged back into the base currency of the investment company. IKOS - Radian Diversified Ltd may use leverage, and there are no limits on the extent except as agreed with the prime broker.

IKOS - Radian Equities Limited: IKOS - Radian Equities Limited invests predominantly in a broad range of global equities, as well as equity and non-equity derivatives and can follow long short strategies. The investment approach is predominantly quantitative and systematic, with technical and fundamental data used as inputs for a variety of forecasting and risk modelling techniques operating at time scales ranging from seconds to months. Futures and other securities may be used for hedging purposes. The Investment Manager may choose to reduce, close down, enter or exit positions, hedge risks, block automated trading in whole or in part and perform manual trades. Exposures may be hedged back into

the base currency of the investment company. IKOS - Radian Equities Ltd may use leverage, and there are no limits on the extent except as agreed with the prime broker.

IKOS XSM Limited: IKOS XSM Limited aims to provide professional and efficient cash management to the share classes of the IKOS Fund. Its primary investment objective is to generate capital growth whilst maintaining an emphasis on capital preservation. IKOS XSM Limited may invest in a wide range of cash management products and other instruments selected by the Investment Manager and the Sub-Investment Manager. Where consistent with its investment objective, IKOS XSM Limited may also allocate assets to one or more absolute return investment vehicles and invest in collective investment schemes. Investments may be listed or unlisted and may be of noninvestment grade. IKOS XSM Limited will not itself leverage its investments, but investment vehicles, products or schemes to which assets are allocated may not have a leverage restriction placed upon them. In addition, currency exposures may be hedged back into the base currency of IKOS XSM Limited.

A complete description of the investment strategies is set out in detail in the Fund's main prospectus and in the share class' respective offering documents.

Investing in securities involves risks of loss that IKOS CIF's client(s) (and investors in the Fund) should be prepared to bear.

Investment in the Fund, for which IKOS CIF acts as Sub-Investment Manager, carries a high degree of risk including, but not limited to, the risks summarised below. No assurance can be given that Fund shareholders/investors will realise a profit on their investment. Moreover, shareholders/investors must acknowledge the risks associated with such an investment including a substantial or complete loss of their investment. The risks referred to below are not exhaustive. Potential investors should review the Fund's main prospectus and each share class' respective offering documents carefully and in their entirety and consult with their professional advisors before making an application for shares.

In particular, given the nature of the Fund's investments and the frequency of trading, material risks include, but are not limited to, the following:

**Investment and Trading Risks in General:** All securities investments present a risk of loss of capital and the investment techniques utilised such as option transactions, margin transactions, short sales and futures and forward contracts can, in certain circumstances, maximise any losses.

**Lack of Segregation:** Money, investments and other assets classified by a prime broker as collateral may not be segregated by the prime broker from its own investments and may be available as a result to the creditors of the prime broker in the event of its insolvency.

**Rehypothecation and Transfer of Ownership of Assets:** An appointed prime broker may borrow, lend or otherwise use the investment companies' money, investments and other assets for its own purposes and may take such investments as collateral. Such assets will cease to be the property of the investment



companies (and of the Fund) and, in the event of an insolvency of the prime broker may be available to creditors of the prime broker. As a result, the investment companies and the Fund may not be able to recover such assets in full.

**Conflicts of Interest:** The prospect of the performance fee may lead the Investment Manager or the Sub-Investment Manager to make investments that are riskier than would otherwise be the case. The performance fee is calculated on unrealized as well as realized gains and hence may arise although the relevant gains are not realized.

Other clients of the Investment Manager or the Sub-Investment Manager may have similar investment objectives although the Investment Manager or the Sub-Investment Manager, in particular in relation to the allocation of investment opportunities, will act fairly as between all of its clients.

**Business, Legal, Tax and Other Regulatory Risks:** Legal, tax, and regulatory changes, as well as judicial decisions, could adversely affect the Fund, the Investment Manager, the Sub-Investment Manager and/or the investment strategies used by the Fund. The regulatory environment continues to evolve. Changes in applicable regulations may adversely affect the value of the Fund's investments and the ability of the Fund to implement its investment strategy (including the use of leverage). The financial services industry generally and the activities of private investment funds (such as hedge funds) and their investment advisers, in particular, have been the subject of increasing legislative and regulatory scrutiny. Such scrutiny may increase the Fund's, an investment company's, the Investment Manager's and/or the Sub-Investment Manager's legal, compliance, administrative and other related burdens and costs as well as regulatory oversight or involvement in the Fund, an investment company, the Investment Manager and/or the Sub-Investment Manager or result in ambiguity or conflict among legal or regulatory schemes applicable to the Fund, an investment company, the Investment Manager or the Sub-Investment Manager. In addition, securities and futures markets are subject to extensive statutes, regulations and margin requirements. Various regulators and exchanges may be authorized to take extraordinary actions in the event of market emergencies. The regulation of derivative transactions and entities that engage in such transactions is an evolving area of law and is subject to further development and modification by governmental and judicial action. There can be no assurances that the Fund, an investment company, the Investment Manager or the Sub-Investment Manager will not in the future be subject to regulatory review or discipline. The effects of any regulatory changes or developments on the Fund may affect the manner in which it is managed and may be substantial and adverse.

**Data Protection Legislation:** The Fund's, the Investment Manager's and Sub-Investment Manager's processing of personal data imposes regulatory risks and legal requirements relating to the collection, storage, handling and transfer of personal data that continue to develop. The Fund, the Investment Manager, the Sub-Investment Manager and/or their affiliates may become subject to new legislation or regulation concerning the personal information they may store or maintain, including the requirements of the General Data Protection Regulation (the "GDPR"). The GDPR came into effect on 25 May 2018 and introduces a range of new compliance obligations regarding the handling of personal data and new

obligations on data controllers and data processors and rights for data subjects. The GDPR also significantly increases fines for non-compliance.

The Fund, the Investment Manager, the Sub-Investment Manager and their affiliates may also be subject to data protection laws of other jurisdictions. Compliance with these regulations may divert the Investment Manager's and Sub-Investment Manager's time and effort and entail substantial expense. Any failure to comply with these laws and regulations by the Fund, the Investment Manager, the Sub-Investment Manager or their affiliates could result in negative publicity and may subject the Fund to significant costs or penalties associated with litigation or regulatory action.

**Use of a Model:** The results of the investment companies and thereby the Fund are significantly dependent on models applied to the strategies of IKOS AM (the Investment Manager) and used by the Sub-Investment Manager. Poor results may arise due to, inter alia, poor programming of any models, incorrect application of inputs, a failure by the models to meet changing circumstances and a failure by the Sub-Investment Manager to correctly implement or override recommendations of the models.

**Trading in Options and other Derivatives:** The Fund and each investment company may purchase and sell ("write") options on securities, currencies and commodities on a variety of commodities and securities exchanges and over-the-counter markets. The seller ("writer") of a put or call option which is uncovered (i.e., the writer has effectively a long or a short position in the underlying security, currency or commodity) assumes the risk (which theoretically may be unlimited) of a decrease or increase in the market price of the underlying security, currency or commodity below or above the sales or purchase price. Trading in futures and options is a highly specialized activity and, although it may increase total return, it may also entail significantly greater than ordinary investment risk. There can be no assurance that a given exposure will be hedged at any given time or, even if the exposure is hedged that such hedge will be effective.

**Trading in Currency and Currency Forwards:** The Fund and each investment company may engage in the purchase or sale of on-exchange and/or over-the-counter currency trades.

**Exchange-Traded Futures Contracts and Options on Futures Contracts:** The Fund and each investment company may invest in commodity interests, which include futures and related options, to the extent that all necessary CFTC registrations or exemptions have been obtained. Such registrations or exemptions would not include review or approval by the CFTC of any offering document or the trading strategies of the Fund or investment companies. The Fund's and each investment company's use of futures contracts and options on futures contracts will present the same type of volatility and leverage risks associated with transactions in derivative instruments generally (see below). In addition, such transactions present a number of risks which might not be associated with the purchase and sale of other types of investment products.

Prior to exercise or expiration, a futures or option position can be terminated only by entering into an offsetting transaction. This requires a liquid secondary market on the exchange which the original

position was established. While the Fund and each investment company will enter into futures and options positions only if, in the judgment of the Investment Manager or Sub-Investment Manager, there appears to be a liquid secondary market for such instruments, there can be no assurance that such a market will exist for any particular contract at any point in time. In that event, it might not be possible to establish or liquidate a position.

The Fund's and each investment company's ability to utilize futures or options on futures to hedge its exposure to certain positions or as a surrogate for investments in instruments or markets will depend on the degree of correlation between the value of the instrument or market being hedged or to which exposure is sought and the value of the futures or option contract. Because the instrument underlying a futures contract or option traded by the Fund and each investment company will often be different from the instrument or market being hedged or to which exposure is sought, the correlation risk could be significant and could result in substantial losses to the Fund and each investment company. The use of futures and options involves the risk that changes in the value of the underlying instrument will not be fully reflected in the value of the futures contract or option.

The liquidity of a secondary market in futures contracts and options on futures contracts is also subject to the risk of trading halts, suspensions, exchange or clearing house equipment failures, government intervention, insolvency of a brokerage firm, clearing house or exchange or other disruptions of normal trading activity.

**Investment in Commodities:** Certain of the investment companies may invest in commodities. Commodity prices generally may fluctuate widely and may be affected by numerous factors, including: global or regional political, economic or financial events and situations, particularly war, terrorism, expropriation and other activities which might lead to disruptions to supply from countries that are major commodity producers; investment trading, hedging or other activities conducted by large trading houses, producers, users, hedge funds, commodities funds, governments or other speculators which could impact global supply or demand; the weather, which can affect short-term demand or supply for some commodities; the future rates of economic activity and inflation, particularly in countries which are major consumers of commodities; and major discoveries of sources of commodities.

**Currency:** Shares will be issued and repurchased in dollars or any other currency. The Fund's and each investment company's assets may be invested in securities and other investments that are denominated in other currencies. Accordingly, the value of any investment may be affected favorably or unfavorably by fluctuations in exchange rates, notwithstanding any efforts made to hedge such fluctuations. In addition, prospective investors whose assets and liabilities are primarily denominated in currencies other than the dollar should take into account the potential risk of loss arising from fluctuations in the rate of exchange between the dollar and such other currency. The Fund and each investment company may utilize derivatives such as forwards, futures, options and other derivatives to hedge against currency fluctuations, but there can be no assurance that such hedging transactions will be effective or beneficial or that there will be a hedge in place at any given time.

**Short Sales:** A short sale involves the sale of a security that the Fund or the relevant investment company does not own in the expectation of purchasing the same security (or a security exchangeable therefor) at a later date at a lower price. To deliver to the buyer, the Fund or investment company must borrow the security and later purchase the security to return to the lender. A short sale involves a risk of a theoretically unlimited increase in the market price of the security.

**Leverage, Interest Rates and Margin:** The Fund and each investment company may borrow funds from brokerage firms, banks and other financial institutions in order to increase the amount of capital available for investment. Consequently, the level of interest rates at which the Fund or each investment company can borrow will affect the operating results of the Fund or relevant investment company. In addition, the Fund and each investment company may in effect borrow funds through entry into repurchase agreements and may “leverage” its investment return with such instruments as forwards, futures, options and other derivative contracts.

The use of borrowing by the Fund and each investment company results in certain additional risks. For example, should the securities pledged to brokers to secure the Fund’s or investment company’s margin accounts decline in value, the Fund or relevant investment company could be subject to a “margin call” and need to deposit additional funds with the broker or suffer mandatory liquidation of the pledged securities to compensate for the decline in value. In the event of a sudden drop in the value of the Fund’s or investment company’s assets, the Fund or affected investment company might not be able to liquidate assets quickly enough to pay off its margin debt. In addition, leverage can increase the loss to investors. In the futures markets, margin deposits are typically low. Low margin deposits mean that a relatively small price movement in a futures contract may result in immediate and substantial losses. For example, if, at the time of purchase, 10 per cent of the price of a futures contract is deposited as margin, a 10 per cent decrease in the price of the futures contract would, if the contract is then closed out, result in a total loss of the margin deposit before any deduction for the brokerage commission.

Depending on market conditions, from time-to-time leverage, borrowing and margin may not be available to the Fund or an investment company or may not be available to the Fund or an investment company at a price it is willing to pay.

**No Established Rating Criteria:** No rating criteria have been established for the debt securities in which an investment company may invest. An investment company may invest in low-rated (considered to be those that are below “investment grade”) and unrated debt securities. Low-rated and unrated debt securities are the equivalent of high-yield, high-risk bonds, commonly known as “junk bonds”, and are generally considered to be speculative with respect to the issuer’s capacity to pay interest and repay principal in accordance with the terms of its obligations under such securities.

**Securities and Other Investments of the Fund or an investment company may be Illiquid:** Certain investment positions may be illiquid. Futures positions may be illiquid because, for example, some exchanges limit fluctuations in certain futures contract prices during a single day by regulations referred to as “daily price fluctuation limits” or “daily limits”. Once the price of a contract for a particular future

has increased or decreased by an amount equal to the daily limit, positions in the future can neither be taken nor liquidated unless traders are willing to effect trades at or within the limit. Similar occurrences could prohibit the Fund or an investment company from promptly liquidating positions and subject the Fund or affected investment company to substantial losses. In addition, the Fund or an investment company may not be able to execute futures contract trades at favorable prices if little trading in the contracts involved is taking place. It is also possible that an exchange may suspend trading in a particular contract, order immediate liquidation and settlement of a particular contract, or order that trading in a particular contract be conducted for liquidation only.

**Funding Liquidity Risk:** Where investors repurchase their investments in the Fund (or the Fund repurchases its investment in an investment company) in an amount which exceeds the amount of cash or other liquid assets immediately available to fund such repurchase, the Fund or affected investment company may need to liquidate additional assets to fund the repurchase costs incurred. This in turn may limit or otherwise affect the ability of the Fund or affected investment company to operate or manage investment positions and strategies within its portfolio.

**Hedging Transactions:** The Fund and each investment company may utilize financial instruments, such as derivatives, for investment purposes and to seek to hedge against fluctuations in the relative values of the Fund's or investment company's portfolio positions as a result of changes in exchange rates, interest rates, equity prices and levels of other interest rates and prices of other securities. Such hedging transactions may not always achieve the intended effect and can also limit potential gains.

While the Fund and each investment company may enter into such transactions to seek to reduce currency, exchange rate and interest rate risks, unanticipated changes in currency, interest rates and equity markets may result in a poorer overall performance of the Fund and affected investment company. For a variety of reasons, the Fund and the investment company may not obtain a perfect correlation between such hedging instruments and the portfolio holdings being hedged. Such imperfect correlation may prevent the intended hedge or expose the Fund and the affected investment company to risk of loss.

**Trading in Indices, Financial Instruments and Currencies:** The Investment Manager or the Sub-Investment Manager may place an emphasis on trading indices, financial instruments and currencies. The effect of any governmental intervention may be particularly significant at certain times in currency and financial instrument futures and options markets. Such intervention (as well as other factors) may cause all of these markets to move rapidly in the same or varying directions which may result in sudden and significant losses.

The instruments, indices, currencies and rates underlying derivative transactions expected to be entered into by the Fund and the investment companies may be extremely volatile in the sense that they are subject to sudden fluctuations of varying magnitude, and may be influenced by, among other things, government trade, fiscal, monetary and exchange control programs and policies; national and international political and economic events; and changes in interest rates. The volatility of such

instruments, indices, currencies, or rates, which may render it difficult or impossible to predict or anticipate fluctuations in the value of instruments traded by the Fund and the Investment Companies, could result in losses.

**Cybersecurity Risk:** As the use of technology has become more prevalent in the course of business, accounts have become potentially more susceptible to operational and information security risks resulting from breaches in cyber security. Cybersecurity failures by or breaches of the Fund's Administrator and Registrar, Investment Manager, Sub-Investment Manager, Custodian, Prime Brokers or other service providers may disrupt Fund operations, interfere with the Fund's ability to calculate its NAV, prevent Fund shareholders from purchasing, redeeming or exchanging shares or receiving distributions, cause loss of or unauthorized access to private shareholder information, and result in financial losses, regulatory fines, penalties, reputational damage, or additional compliance costs. IKOS CIF has established business continuity plans and risk management systems designed to reduce the risks associated with cyber security breaches. However, there are inherent limitations in these plans and systems, including those certain risks may not have been identified, in large part because different or unknown threats may emerge in the future. As such, there is no guarantee that such efforts will succeed, especially because IKOS CIF does not directly control the cyber security systems of issuers, trading counterparties, or third-party service providers. There is also a risk that cyber security breaches may not be detected.

**OTC Derivative Instrument Transactions:** The Fund and/or the investment companies in which it invests may invest a portion of its or their assets in investments which are not traded on organized exchanges to the extent that all necessary CFTC registrations or exemptions have been obtained. Such registrations or exemptions would not include review or approval by the CFTC of any offering memorandum or the trading strategies of the Fund. Such transactions are known as over the counter or "OTC" transactions, are not standardized, and may include forward contracts, options, swaps or other derivatives. Whilst some OTC markets are highly liquid, transactions in OTC derivatives may involve greater risk than investing in exchange traded derivatives because there is no exchange market on which to close out an open position. It may be impossible to liquidate an existing position, to assess the value of the position arising from an off-exchange transaction or to assess the exposure to risk. Bid and offer prices need not be quoted and, even where they are, they will be established by dealers in these instruments and consequently it may be difficult to establish what is a fair price. In respect of such trading, the Fund is subject (directly or indirectly) to the risk of counterparty failure or the inability or refusal by a counterparty to perform with respect to such contracts or redeliver cash or securities delivered by the Fund or the relevant investment company (as applicable) to support such contracts. Market illiquidity or disruption could result in major losses to the Fund.

The instruments, indices and rates underlying derivative transactions expected to be entered into by the Fund and/or the investment companies may be extremely volatile in the sense that they are subject to sudden fluctuations of varying magnitude, and may be influenced by, among other things, government trade, fiscal, monetary and exchange control programs and policies; national and international political

and economic events; and changes in interest rates. The volatility of such instruments, indices or rates, which may render it difficult or impossible to predict or anticipate fluctuations in the value of instruments traded by the Fund or any investment company, could result in losses.

**Developing Markets:** In certain circumstances the Fund and each investment company may invest a proportion of its assets in developing markets. Investment in such markets involves risk factors and special considerations, including those set forth following, which may not be typically associated with investing in more developed markets. Political or economic change and instability may be more likely to occur and have a greater effect on the economies and markets of developing countries. Adverse government policies, taxation, restrictions on foreign investment and on currency convertibility and repatriation, currency fluctuations and other developments in the laws and regulations of developing countries in which investments may be made, including expropriation, nationalisation or other confiscation, could result in loss to the Fund or the investment companies. By comparison with more developed securities markets, most developing countries' securities markets are comparatively small, less liquid and more volatile. In addition, settlement, clearing and registration procedures may be underdeveloped enhancing the risks of error, fraud or default. Furthermore, the legal infrastructure and accounting, auditing and reporting standards in developing markets may not provide the same degree of investor information or protection as would generally apply to major markets.

**Cross-Class Liability:** The Fund can issue multiple classes and further classes may be created in the future. However, the Fund is one entity. Thus, all of the assets of the Fund may be available to meet all of the liabilities of the Fund, regardless of the separate class or investment company to which such assets or liabilities are attributable. In practice, cross-class liability will usually only arise where any class or portfolio becomes insolvent or exhausts its assets and is unable to meet all of its liabilities. In this case, all of the assets of the Fund attributable to the other classes or portfolios may be applied to cover the liabilities of the insolvent class.

**Tax Reporting and Withholding:** Certain countries have adopted tax laws which require reporting and/or withholding in certain circumstances in connection with a shareholder's acquisition, holding and/or disposal of an investment in the Fund Shares. Depending on the nature of the requirements, these tax laws impose (or will impose in the future) reporting and/or withholding obligations. To the extent that the Fund determines to incur the costs of compliance with tax or other laws, the Fund may require that shareholders whose acquisition, holding or disposal triggers the compliance requirements to share pro rata the cost to the Fund of doing so with other such shareholders.

**Portfolio Turnover:** Turnover of underlying investments may be higher than the average for other more traditional portfolios and accordingly the level of commissions paid, and other transaction costs are likely to be higher than average.

Item 9                    Disciplinary Information

There are no legal or disciplinary events that are material to a client's or prospective client's evaluation of IKOS CIF's advisory business or the integrity of its management.

Item 10                  Other Financial Industry Activities and Affiliations

IKOS CIF is registered as a CTA and a CPO with the CFTC and is a member of the NFA. A number of IKOS CIF's management persons are registered with NFA as Principals and/or Associated Persons of IKOS CIF.

As disclosed in Item 4, IKOS CIF acts as Sub-Investment Manager on behalf of the Fund, pursuant to a sub-delegation agreement with IKOS AM. IKOS AM is a related person of IKOS CIF.

In particular, one management person of IKOS CIF (namely, Mr. Ioannis Coward), is also a director of both IKOS AM and the IKOS Fund. Mr. Ioannis Coward is not materially interested in any contract or arrangement which is unusual in its nature or condition or which is significant in relation to the business of the Fund, an investment company related to the IKOS Fund, IKOS AM or IKOS CIF.

A discussion of IKOS CIF's Code of Ethics and practices relating to addressing potential or actual conflicts of interest are discussed in Item 11.

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

IKOS CIF has a Code of Ethics ("Code"), which was adopted in accordance with Investment Advisers Act Rule 204A-1 to set forth the standards of business conduct required of any (i) director, officer, member or partner of IKOS CIF ("Advisory Persons") and/or (ii) supervised persons who may be involved in investment advisory activities and/or have access to non-public information ("Access Persons").

In addition to the general policies set forth by the Code with respect to the ethical obligations of IKOS CIF and its Access Persons, the Code contains: specific personal securities transaction policies designed to ensure that IKOS CIF's personal and proprietary investing activities do not interfere with the best interests of its client(s); a policy statement on insider trading and related procedures designed to prevent the misuse of material, non-public information; and "Chinese Wall" procedures designed to ensure that decisions made by IKOS CIF are reasonably insulated from material non-public information or conflicts of interest.

Furthermore, the Code incorporates the following general principles that all employees are expected to uphold: employees must at all times place the interests of IKOS CIF's client(s) first; all personal securities transactions must be conducted in a manner consistent with the Code and any conflicts of interest or any abuse of an employee's position of trust and responsibility must be avoided; employees must not



take any inappropriate advantage of their positions; and information concerning the identity of securities and financial circumstances of IKOS CIF's client(s) and/or the Fund, including the Fund's investors, must be kept confidential.

Privacy Policy, Confidentiality and Intellectual (IP) protection: IKOS CIF and IKOS CIF Advisory, Supervisory, Access Persons and employees and /or associates are strongly committed to protecting the privacy of IKOS CIF's client(s) and/or the Fund, including the Fund's investors non-public personal information and will not as a matter of policy disclose such information except as required or permitted by law or by request of regulatory agencies. Such information to a third party is provided only where client(s) or investor(s) have given their consent to do so, at the request of a regulator or where there is such a request to disclose the information by law or regulation. IKOS CIF has adopted privacy policies and procedures that are designed to prevent the unauthorized disclosure and use of client(s) and/or investor(s) non-public personal information and intellectual property. On the basis of this Policy IKOS CIF issues a Privacy Notice to its customers and if required, this can be obtained from IKOS CIF's Chief Compliance Officer at [ComplianceGroup@ikos.com.cy](mailto:ComplianceGroup@ikos.com.cy).

The Code also requires all Access Persons to comply with ethical constraints relating to clients and their accounts, including restrictions on giving gifts to, and receiving gifts from, clients in violation of IKOS CIF's gift policy.

A copy of IKOS CIF's Code of Ethics is available to any client or prospective client upon request.

Although IKOS CIF does not trade for its own account, from time-to-time employees and principals of the Company or any related person(s) may have interests in securities owned by the Fund or may engage in personal securities transactions. To address this conflict of interest, IKOS CIF has adopted procedures relating to personal securities transactions that are designed to prevent actual conflicts of interest. These are set forth in the Company's Code, which was adopted, amongst other things, to govern personal transactions by supervised persons and to ensure that the interests of Access Persons do not conflict with the interests of IKOS CIF's client(s) and/or the Fund. The Code covers personal investment transactions of all employees and their immediate family members, which includes most persons sharing the same household as the employee.

In particular, although IKOS CIF and its personnel are not obligated to refrain from investing in securities held by accounts that they manage, IKOS CIF's officers and employees are generally discouraged from entering into such transactions. Furthermore, IKOS CIF and its related persons are required at all times to have due regard to their duties owed to the Company's client(s) and the Fund, and where a conflict arises, they will endeavour to ensure that it is resolved fairly. IKOS CIF also explicitly forbids any employee from trading based on material non-public information or communicating material non-public information to others.

All supervised persons are required to notify the Chief Compliance Officer ("CCO") or the CCO's designee in order to pre-clear any personal securities transactions. Furthermore, all supervised persons must

provide quarterly reports of their personal transactions and holdings within 30 days of the end of each calendar quarter, which may consist of monthly brokerage statements for all accounts in which they have a beneficial interest.

**Item 12              Brokerage Practices**

As Sub-Investment Manager, IKOS CIF reviews, evaluates and recommends broker-dealers to IKOS AM and the Fund. IKOS CIF is instructed by the Fund which appoints the broker dealer with the agreement with IKOS AM to direct the sale or purchase of securities to the selected Fund broker-dealers, in accordance with the Fund's specified investment objectives without further client or Fund consultation/consent.

IKOS CIF has a fiduciary obligation to seek to obtain "best execution" of clients' transactions under the circumstances of the particular transaction.

On a regular basis, At the request of IKOS AM IKOS CIF reviews existing relationships with broker-dealers (including those that may act as "prime broker" for IKOS CIF's client(s) and the Fund) and also evaluates opportunities to establish new broker-dealer relationships for the Fund. IKOS CIF's objective is to satisfy IKOS AM that in proposing broker-dealers and in effecting portfolio transactions it seeks to obtain the best combination of price and execution with respect to portfolio transactions.

As a matter of fiduciary duty, IKOS CIF must ensure that, when aggregating and allocating securities transactions, participating clients are treated in a fair and equitable manner.

The IKOS Fund, for which IKOS CIF acts as Sub-Investment Manager, is structured as a master-feeder fund. Each of the Fund's share classes invest in related investment companies (master portfolios), each one following a specific investment strategy. The Fund's structure ensures that gains/losses for each investment strategy are pooled in the respective master portfolio, and then allocated to each of the Fund's share classes in proportion to their percentage holding in each master portfolio.

As disclosed under Item 4, IKOS CIF further provides investment advisory and portfolio management services to IKOS AM's managed account clients, which relate solely to futures and currency activities, as opposed to any securities transactions. Therefore, IKOS AM has a Trade Aggregation and Allocation Policy which is applied by IKOS CIF with respect to the IKOS Fund's and managed accounts clients' futures-related activities.

In this context, when the purchase or sale of a security or instrument (such as a futures contract) is deemed to be in the best interest of more than one account, IKOS CIF can aggregate or "bunched" orders for the purchase or sale of securities/instruments for all such accounts to the extent consistent with best execution and the guidelines of the relevant investment advisory agreements. Such "bunched"

trades / orders may be used to facilitate best execution, including negotiating more favorable prices, obtaining more timely or equitable execution, or reducing overall commission charges.

Aggregated transaction prices and costs are generally averaged and allocated among participating accounts pro rata according to the size of each participating account. In the event that a bunched or aggregated trade order is not completely filled within a single day, each day's partial fill must generally be allocated among the participating accounts pro rata based on the size of each participating account, subject to rounding in order to achieve "round lots". IKOS CIF applies a minimum order allocation amount of a single "round lot". Remaining positions, if any, may be assigned to those accounts seeking large positions which were unfilled or to those accounts whose orders would be complete as a result of the allocation. Unexecuted orders will continue until the block order is completed or until all component orders have been cancelled. New orders for the same security or instrument may be aggregated with any remaining unexecuted orders and continue in the same manner. While IKOS CIF will always try to allocate pro rata in the first instance, IKOS CIF may use other methods of allocation, provided that such methods are fair and equitable. For example, while it currently does not intend to trade such securities, IKOS CIF may use a random allocation method for limited availability or thinly traded securities/instruments.

#### Commission rates

IKOS CIF endeavours to be aware of current charges of eligible broker-dealers and to minimize the expense incurred for effecting portfolio transactions to the extent consistent with the interests and policies of its client(s) and the Fund.

The reasonableness of commissions is based on the broker's ability to provide competitive commission rates, electronic trading facilities and comprehensive service levels which will help IKOS CIF in providing its services as Sub-Investment Manager to the Fund. This includes price and costs of execution, speed of execution, liquidity pool available to the broker and likelihood of execution, broker's financial stability and service (including availability of margin or leverage, etc.), handling of large number of orders and trade flow, and electronic clearing capabilities, and the broker's reputation and responsiveness to IKOS Asset Management's requests.

#### Other factors and selection criteria

In selecting and reviewing broker-dealers on behalf of IKOS AM and the Fund, IKOS CIF also considers broker-dealers' reputation, financial strength and responsibility, responsiveness, as well as the value of any research that may be provided. IKOS CIF seeks to evaluate the full range and quality of broker-dealers' services including, among other things, their ability to:

- handle a high volume of transactions without undue market impact;
- complete trades;
- maximize the opportunity for price improvement;

- execute trades quickly;
- maintain anonymity and confidentiality;
- search for and obtain liquidity to minimize market impact;
- exert the necessary effort to satisfy trading needs in a diligent and consistent manner;
- act with integrity;
- account for its trade errors and correct them in a timely and satisfactory manner;
- accommodate unusual market conditions, when required; and
- engage in after-hours and cross-border trading, when required.

#### Soft dollars

IKOS CIF does not receive any “soft dollar benefits”.

However, IKOS CIF is not prohibited from directing brokerage transactions for client accounts (including the Fund) to broker-dealers who provide the company with both research and brokerage products and services. IKOS CIF has therefore developed procedures to ensure that if any “soft dollar benefits” are obtained in the future, these benefits will fall within the applicable safe harbour provisions and be appropriately disclosed.

IKOS CIF will not seek to enter into any agreement or understanding with any broker-dealer which would obligate IKOS CIF to direct a specific amount of brokerage transactions or commissions in return for such services.

#### Brokerage for client referrals

IKOS CIF does not consider, in selecting or recommending broker-dealers, whether it, or a related person, receives client referrals from any broker-dealer or third party. In the event that IKOS CIF were to consider such practices in the future, it would still aim to ensure that it fully complies with its fiduciary obligation to seek to obtain “best execution” (taking into account price and other judgmental and qualitative factors, as analysed earlier).

#### Directed brokerage

Investors in the Fund are not entitled or provided with the option of directed brokerage.

Item 13            Review of Accounts

The Fund's administrator is responsible for valuing the Fund's share classes and related investment companies, and for preparing the official NAV calculations. However, IKOS CIF is required by IKOS AM, to conduct internal estimates and to compare results to the administrator's results as an additional control measure.

Although the administrator independently prices all positions, IKOS CIF reconciles and independently prices all securities and futures positions. Every day, a three-way reconciliation process takes place between the brokers, the administrator and IKOS CIF to ensure the accuracy of trade executions and positions in the portfolio. This is a highly automated process, with minimal breaks produced which then get resolved with the administrator and prime brokers daily by IKOS CIF. IKOS CIF also actively monitors non-trade cash movements to ensure they accurately reflect payment instructions or margin changes and to verify the cash balances within the various cash and prime broker accounts.

Client(s) and Fund investors are provided with written annual audited financial statements and monthly NAV statements.

Client(s) and Fund investors may also be provided with newsletters and risk reports.

Item 14            Client Referrals and Other Compensation

IKOS AM does not request IKOS CIF to refer any client to a Broker. IKOS AM does not currently compensate any third party to solicit clients on its behalf or serve as placement agent for the Fund.

IKOS CIF receives no economic benefit from anyone who is not a client for providing investment advice or other advisory services to IKOS CIF's clients.

IKOS AM may, from time to time, enter into written arrangements, on a non-exclusive and non-agent basis, to compensate persons for client referrals. Typically, a solicitor is paid a percentage (not exceeding 20%) of the fees payable to IKOS AM in relation to each Fund investor introduced by the solicitor.

With respect to IKOS CIF, such arrangements (if any) are made in conformance with SEC rule 206(4)-3. The arrangements require among other things, that the solicitor comply with the requirements of rule 206(4)-3 and other applicable law, as well as the terms of the solicitation agreement. The solicitor must at the time of the solicitation provide the client with a copy of this brochure and a separate document which discloses: (i) a description of the solicitation agreement; (ii) any affiliation between the solicitor and IKOS CIF; (iii) the compensation paid for the solicitation; and (iv) whether the advisory fee for solicited clients is higher than those for other clients due to compensation paid to the solicitor.

## Item 15 Custody

IKOS CIF does not have custody of client funds or securities.

The Fund, for which IKOS CIF acts as Sub-Investment Manager, has custodial agreements with independent, regulated third-party custodians. The custodians provide regular reporting to the Fund's administrator, which includes an analysis of the assets held by the custodians on behalf of the Fund.

Investors of the Fund receive monthly statements from the Fund's independent administrator which include the NAV per share of the relevant share class in which they are invested, the total value of their holding, and any transactions (such as share subscriptions/redemptions) they have carried out in the month.

## Item 16 Investment Discretion

As detailed under Item 4, IKOS CIF acts as Sub-Investment Manager for the IKOS Fund, pursuant to a sub-delegation agreement with IKOS AM. Pursuant to this agreement, IKOS AM has delegated discretionary investment advice with respect to the IKOS Fund to IKOS CIF.

IKOS CIF is therefore authorized to make the following recommendations and/or determinations in accordance with the Fund's specified investment objectives without client(s)' or Fund consultation or consent before a transaction is effected:

- which securities to buy or sell;
- the total amount of securities to buy or sell;
- the broker or dealer through whom securities are bought or sold (subject to the procedures detailed under Item 12);
- the commission rates at which securities transactions for client accounts are effected; and
- the prices at which securities are to be bought or sold, which may include dealer spreads or mark-ups and transaction costs.

IKOS CIF may not exceed certain parameters set by the investment objectives and investment restrictions of the Fund, for example with respect to leverage or exposure to any single counterparty or issuer.

Item 17            Voting Client Securities

IKOS CIF does not accept or exercise proxy voting authority with respect to client securities.

Item 18            Financial Information

IKOS CIF is required in this item to provide you with certain financial information or disclosures about its financial condition. IKOS CIF has no financial commitment that impairs its ability to meet contractual and fiduciary commitments to clients and has not been the subject of a bankruptcy proceeding.