

**Item 1 – Cover Page**

NEO IVY CAPITAL MANAGEMENT LLC  
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**This brochure provides information about the qualifications and business practices of Neo Ivy Capital Management LLC (“Neo Ivy” or the “Adviser”). If you have any questions about the contents of this brochure, please contact us at [renee.yao@neoivycapital.com](mailto:renee.yao@neoivycapital.com) or at 646-389-9813. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission (the “SEC”) or by any state securities authority. Registration as an investment adviser does not imply any level of skill or training.**

**Additional information about Neo Ivy Capital Management LLC is available on the SEC’s website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).**

**Item 2 – Material Changes**

This Brochure is an amendment to the Adviser's Form ADV Part 2A last filed in March 2020 as part of its annual updating amendment. The Adviser's regulatory assets under management in Item 4 of this Brochure has been updated. Apart from the foregoing, there are no material changes to this Brochure since the last filing. This filing may contain other changes and you are encouraged to review the entire filing.

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**Item 4 – Advisory Business**

Neo Ivy Capital Management LLC, is an investment adviser located in New York, NY. Neo Ivy is a Delaware limited liability company founded in February 2015. Ranting (“Renee”) Yao is the managing member and principal owner of the Adviser.

Neo Ivy provides investment management services to, and has discretionary investment authority over the assets of, pooled investment vehicles which are offered to qualified investors on a private placement basis. Neo Ivy has discretionary trading authority to the following privately pooled investment vehicles:

Neo Ivy Capital Fund, LP, a Delaware limited partnership (the “Onshore Fund”), Neo Ivy Capital Offshore Fund Ltd., a Cayman Islands exempted company (the “Offshore Fund”), (together the “Feeder Funds”); and Neo Ivy Capital Master Fund LP, a Cayman Islands exempted partnership (the “Master Fund,” and collectively with the Onshore Fund, and the Offshore Fund where applicable, the “Neo Ivy Fund” or “Neo Ivy Funds”).

The Adviser may also serve as a sub-adviser to an unaffiliated investment adviser of privately placed pooled investment vehicles (referred to as the “Sub-advised Fund”). Currently, no such sub-advisory agreements exist. The Neo Ivy Funds will each be referred to as a “Fund” and will be collectively referred to as the “Clients” or as the “Funds.” Investors in any of the Funds, will be referred to as “Investors.” The Adviser may provide additional advisory or sub-advisory services to other Clients in the future and may also advise separately managed accounts

Neo Ivy, LLC (the “General Partner”) is a related entity of the Adviser and serves as the general partner to certain Neo Ivy Funds. Ms. Yao is the managing member and sole owner of Neo Ivy, LLC. The General Partner serves as the general partner of the Onshore Fund and Master Fund.

Neo Ivy’s investment advisory services are provided pursuant to a written investment advisory agreement between Neo Ivy and the Client to which Neo Ivy agrees to advise in accordance with Client-mandated investment objectives. The Adviser has discretionary trading authority and does not tailor advisory services to the needs of specific Investors.

As of March 31, 2021, the Adviser has regulatory assets under management of approximately \$181,748,800, all of which are managed on a discretionary basis.

**Item 5 – Fees and Compensation**

The fees applicable to each Fund are set forth in detail in each Fund’s offering documents. A brief summary of such fees is provided below.

For certain Funds, the Adviser charges an investment management fee at an annual rate of from 1.5% to 2.00%, calculated and paid each month in advance (the “Management Fee”), depending on the share-class of the Investor. If an investor is permitted to subscribe as of a date other than the first day of a calendar month, the relevant Management Fee for such partial month will be prorated. The Funds will not refund any portion of the Management Fee previously paid with respect to any intra-month withdrawal.

The Adviser or the General Partner, may also receive a performance-based fee or allocation for the management of certain of the Funds which is based on a share of capital gains or appreciation of the assets of the Fund. Performance-based compensation ranges from 15% to 20%, subject to a loss carry-forward provision and depending on the share-class the Investor subscribed for. Performance-based compensation is generally taken at the end of each calendar year.

Note that as of the date of this Brochure, the share-class subject to a Management Fee of 1.5% per annum, and a performance-based fee or allocation of 15%, are closed to new Investors.

Neo Ivy, or the General Partner, in their sole discretion, may elect to reduce or waive the performance-based fee or allocation, or the Management Fee with respect to any Investor, including, without limitation, an Investor that is a partner, member or employee of the Adviser, the General Partner, or such person’s family members and trusts, or other entities established for the benefit of such person or his or her family members.

Management Fees and performance-based fees or allocations are described in greater detail in the offering documents of the Funds.

The Investment Adviser and any affiliates each pay its own overhead and ordinarily recurring operating expenses, such as rent, utilities, supplies, secretarial expenses, employee compensation and benefits, including insurance, payroll, and other taxes and related costs, and charges for furniture, fixtures, and equipment.

All other expenses are borne by the Funds and are allocated generally, in a pro-rata fashion, based on asset size of each Fund to the extent an expense is incurred by multiple Funds. Expenses borne by the Funds include: ordinary and extraordinary expenses, including (i) ordinary expenses, which may include, without limitation, the initial organizational expenses of the Fund; the expenses of the ongoing offering of Interests; filing fees, legal, bookkeeping, accounting, auditing, recordkeeping, administration, computer and clerical expenses (including expenses incurred in preparing reports and tax information to certain Investors and expenses for specialized administrative services); Management Fees; regulatory compliance costs; costs and expenses of any third party valuation agent; printing and duplication expenses; investment related travel expenses; investment research; investment research related travel expenses; consulting and/or statistical services expenses; market data, newswire and data processing expenses; software and

connectivity charges; brokerage commissions, bank charges, custody fees and borrowing costs; exchange, board of trade or other trading or execution facility members or participation expenses; the cost of maintaining the Fund's legal existence and expenses; liability insurance (including errors & omissions insurance) costs; investment and operating expenses; and such other expenses necessary to perform the operation of the Funds as determined by the Adviser or its affiliates; and (ii) extraordinary expenses, which may include, without limitation, taxes, indemnification costs, litigation costs, trade errors or damages. The Funds will also pay or reimburse the Adviser for the Fund's pro-rata portion of the regulatory and compliance costs of the Adviser arising out of the Investment Adviser's management of the Fund, such as legal, administrative, and filing costs and expenses relating to the Adviser's SEC Form ADV and Form PF, if applicable.

Neo Ivy may, in its sole discretion, bear any of the Funds' expenses described above; provided that, if Neo Ivy does pay any such expenses, it will not be required to continue to pay such expenses and may thereafter cause the Funds to pay such expenses.

The allocation of expenses by the Adviser between it and any Fund and among Funds represents a conflict of interest for the Adviser. Neo Ivy has adopted an expense allocation policy that is designed to address this conflict. The Adviser allocates expenses to each Client in accordance with the Client's arrangements with the Adviser. Neo Ivy seeks to allocate shared expenses for products and services benefitting the Adviser and a Fund, and not covered in the Client's arrangements in a fair and reasonable manner. The Adviser generally allocates common Fund expenses among multiple Funds or Clients pro rata based on assets under management.

More detailed information regarding the fees and expenses paid by the Funds may be found in the offering documents of the Funds.

Neither the Adviser nor its employees accept compensation, including sales charges or service fees, from any person for the sale of securities or other investment products.

**Item 6 – Performance-Based Fees and Side-by-Side Management**

As noted in Item 5, part of the Adviser's or the General Partner's compensation is in the form of performance-based compensation calculated as a percentage of profits of Client accounts. The fact that the Adviser or its affiliates are compensated based on the net capital appreciation of Client accounts may create an incentive for the Adviser to make investments on behalf of the Clients that are riskier or more speculative than would be the case in the absence of such compensation.

Neo Ivy may manage accounts which are not subject to performance-based compensation or may be subject to lower performance-compensation rates. Should that be the case, this will present a conflict of interest, because Neo Ivy can potentially receive greater fees from accounts having a higher performance-based compensation structure than from those accounts with a lower performance-based compensation rate. This may present an incentive to direct the best investment ideas to, or allocate or sequence trades in favor of, the accounts that pay higher performance-based compensation rates, or allocate a disproportional amount of personnel and resources to identifying and securing investment opportunities for accounts that pay higher performance-based compensation rates.

Accordingly, the Adviser has adopted and implemented policies and procedures intended to address conflicts of interest that may arise relating to the management of multiple clients, including clients with different fee arrangements. The Adviser reviews investment decisions for the purpose of ensuring that all clients with substantially similar investment objectives are treated equitably. The performance of similarly managed clients is also regularly compared to determine whether there are any unexplained significant discrepancies.

It shall be Neo Ivy's policy to allocate investment opportunities equitably. Currently, pursuant to the Adviser's "Aggregation and Allocation Policy", Neo Ivy allocates investments across Clients on a pro-rata basis based on assets under management from each Client, provided, however that the Adviser may allocate investment opportunities to such accounts on a non-pro rata basis due to a consideration of factors including but not limited to enhanced leverage or Client investment restrictions.

To the extent orders are aggregated, Client orders are price-averaged and allocated in accordance with the aggregated order; provided, that the aggregated order may be allocated on a different basis for reasons including but not limited to partially filled orders and to avoid odd lots or excessively small allocations. These areas are monitored by the Adviser's Chief Compliance Officer ("CCO").

**Item 7 – Types of Clients**

Neo Ivy provides investment management services to the Funds, (as described above) which are privately placed pooled investment vehicles. Any initial and additional subscription minimums with respect to investment in a Fund are disclosed in the offering memorandum for each Fund.



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

*Methods of Analysis and Investment Strategies:*

The investment objective of the Funds is to provide competitive risk-adjusted returns utilizing systematic trading strategies. The Adviser seeks to fulfill this objective generally by investing in publicly traded securities through statistical arbitrage strategies using quantitative techniques. The time horizon during which a Fund will hold the securities varies from hours to days; provided that from time to time a portion of a Fund's portfolio may be invested in futures or other commodity interests.

In pursuing its investment objectives, the Adviser may direct the Funds to trade, buy, sell (including sell short), and otherwise acquire, hold, dispose of (using margin and other forms of leverage) and deal in, financial instruments and other rights and interests including, without limitation, listed and unlisted, registered and unregistered securities of various U.S. and international issuers, including, but not limited to, equity and equity-related securities (e.g., common stock, preferred stock, stock warrants and rights, convertible securities, and indices related to any of the foregoing), stock or securities of certain REITs, ADRs, options, futures contracts, exchange traded funds, limited partnership interests, membership interests, limited liability company interests and mutual fund shares, and rights to acquire the same of public and private issuers throughout the world, and such other instruments or interests as the Adviser deems appropriate.

*Material Risk Factors:*

An investment in any Fund managed by the Adviser is speculative in nature and suitable only for sophisticated investors that are aware of the risks involved in such an investment. Investors must have the ability and willingness to accept (i) the risk of the potential total loss of their investment, and (ii) the illiquid nature of an investment in a Fund.

The following identifies certain material risks to the Adviser's investment strategies and should be carefully evaluated prior to making an investment in any vehicle managed by the Adviser. The following does not purport to identify all possible risks of an investment with the Adviser or to provide a full description of those risks identified. For a fuller discussion of the risks involved in each Fund, see the relevant offering documents.

**Business Dependent Upon Key Individuals.** The success of the Funds managed by the Adviser is highly dependent upon the expertise and abilities of Ranting Yao. The loss of her services could have a material adverse effect on the performance of a Fund and could make it impossible for the Adviser to continue to manage investments for Clients.

**Portfolio Valuation.** The Adviser determines the value of investments for which observable pricing inputs are not available, if any. There can be no assurance that the value at which these investments are carried by a Fund will be correct or will be realized upon disposition. Accordingly, there is a risk that an Investor who withdraws while a Fund holds investments for which observable pricing inputs are not available will be paid an amount less than such an investor would otherwise be paid if the actual value of such investments is higher than the value determined by the Investment Adviser.

**Limited Investments.** The Investment Adviser, at times, may be unable to identify suitable investments for Clients and may be unable to purchase suitable investments in periods of market volatility or disruption or for any number of other reasons. As a result, the Funds may, at times, find it difficult to purchase suitable investments.

**Cyber Security Risk.** The Adviser and its affiliates, and the Funds, as well as their service providers, including banks, broker dealers, custodians and their affiliates, may be subject to operational and information security risks resulting from cyber-attacks. Cyber-attacks include, among other behaviors, stealing or corrupting data maintained online or digitally, denial of service attacks on websites, the unauthorized release of confidential information, unauthorized asset transfers and various other forms of cybersecurity breaches. Cyber-attacks affecting the Funds, the General Partner, the Adviser or their service providers may adversely impact Funds.

**General Economic and Market Conditions.** The success of the Adviser's investment activities may be affected by general economic and market conditions, such as interest rates, availability of credit, inflation rates, economic uncertainty, and changes in laws. These factors may affect the level and volatility of securities prices and the liquidity of a Client's investments. Unexpected volatility or illiquidity could impair the Fund's profitability or result in losses.

**General Investment and Trading Risks.** All financial instrument investments present a risk of loss of capital. Such investments are subject to investment-specific price fluctuations as well as to macro-economic, market and industry-specific conditions, including, but not limited to, national and international economic conditions, domestic and international financial policies and performance, conditions affecting particular investments such as the financial viability, sales and product lines of corporate issuers, national and international politics and governmental events, and changes in income tax laws. Moreover, the Adviser may have only limited ability to vary its investment portfolio in response to changing economic, financial and investment conditions. A Fund's investment program may utilize a wide variety of investment techniques, including option transactions, limited diversification, margin transactions, short sales, and forward contracts, which practices can, in certain circumstances, substantially increase the adverse impact to which the Funds may be subject. No guarantee or representation is made that the Fund's program will be successful. The market price of financial instruments owned by the Funds may go up or down, sometimes unpredictably.

**Trading Is Speculative and Volatile.** Financial instrument prices may be highly volatile. Price movements for financial instruments are influenced by, among other things, changing supply and demand relationships, weather, agricultural, trade, fiscal, monetary, and exchange control programs and policies of governments, U.S. and foreign political and economic events and policies, changes in national and international interest rates and rates of inflation, currency devaluations and revaluations, and sentiments of the marketplace. No assurance can be given that will be profitable or that it will not incur substantial losses.

**Limited Diversification.** The Funds' portfolio may not be as diversified as other investment vehicles. Because the Adviser from time to time may concentrate the Funds' investments in a limited number of industries or issuers and/or strategies, the Funds' performance may become more susceptible than a diversified portfolio to fluctuations in value or loss resulting from adverse economic or business conditions that affect those industries, issuers, or strategies. Accordingly, investors should expect that the Fund's performance may be subject to high volatility.

**Competition.** The investment industry is extremely competitive. In pursuing its investment and trading methods and strategies, the Adviser will compete with many of the larger investment adviser and private investment firms, as well as institutional investors and, in certain circumstances, market-makers and brokers. In relative terms, the Funds may have little capital and may have difficulty in competing in markets in which its competitors have substantially greater financial resources, more sophisticated technologies, larger research staffs, and more investment professionals than the Investment Adviser has or expects to have in the future.

**Availability and Accuracy of Information.** The Adviser selects investments for the Funds on the basis of information and data derived from firsthand research by the Investment Adviser and publicly-available research reports by various analysts. Although the Investment Adviser intends to evaluate all such information and data and to seek independent corroboration when the Investment Adviser considers it appropriate and when it is reasonably available, the Investment Adviser will not in many cases be in a position to confirm the completeness, genuineness or accuracy of such information and data, and in such cases will be dependent upon the integrity of both the management of these issuers and the financial reporting process in general. Corporate mismanagement, fraud and accounting irregularities relating to certain of the Fund's financial instruments may result in material losses.

**Limited Investment Opportunities.** The Investment Adviser at times may be unable to identify suitable investments for the Fund, or the Funds may be unable to purchase suitable investments in periods of market volatility or disruption or for any number of other reasons. As a result, the Funds may not always be fully invested.

**Turnover.** The Fund's capital may be invested on the basis of short-term market considerations. The portfolio turnover rate of those investments may be significant, potentially involving substantial brokerage commissions, mark-ups, and fees. These commissions and fees will reduce the Fund's profits.

**Financial Market Dislocation and Illiquidity.** The impact of market, legal, regulatory, reputational, and other unforeseen risks affecting market participants cannot be predicted and could adversely affect the business of the Adviser, restrict the ability of the Adviser to acquire, sell, or liquidate investments at favorable times and/or prices, restrict the Adviser's investment and trading activities, and impede the Adviser's ability to achieve its investment objectives.

**Increased Governmental and Regulatory Scrutiny; Litigation and Regulatory Risks.** Governmental scrutiny of the financial services industry has increased dramatically in the past several years. Routine and targeted examinations of hedge fund managers have increased and regulators have been more likely in recent years to commence investigations and bring enforcement actions against industry participants. Responding to examinations, investigations, and enforcement actions is both time consuming and expensive, and would divert the time and effort of the Investment Adviser's senior management from the business of the Fund. In addition, commencement of a lawsuit or regulatory proceeding against the Funds or the Investment Adviser, regardless of the eventual outcome, could adversely affect the reputation of Adviser and could result in the imposition of penalties or limit the ability of the Adviser to conduct its business.

**Trading on Exchanges in Non-U.S. Jurisdictions.** The Funds may engage in trading on exchanges outside the United States. Trading on such exchanges is not regulated by any United States governmental agency and may involve certain risks not applicable to trading on United

States exchanges. Furthermore, foreign trading is also subject to the risk of changes in the exchange rate between United States dollars and the currencies in which financial instruments traded on such exchanges are settled. Whenever margin is held in a foreign currency, the Funds is exposed to potential gains or losses if exchange rates fluctuate.

**Reliance on Quantitative Analysis.** The Adviser's investment strategies may rely upon quantitative models and systems. Such models and systems may entail the use of sophisticated statistical calculations and complex computer systems, and there is no assurance that the Adviser will be successful in carrying out such calculations correctly or that the use of these quantitative models and systems will not expose the Funds to the risk of significant losses. In addition, the analytical techniques used by the Adviser cannot provide any assurance that a Fund will not be exposed to the risk of significant trading losses if the underlying patterns that form the basis for the quantitative models and systems employed by the Adviser change in ways not anticipated by the Adviser.

To the extent that information regarding the Fund's positions or trades becomes or is required to be made publicly available, there is a material risk that other market participants may seek to reverse engineer the Adviser's quantitative investment strategies from such public information.

**Dependence on Underlying Intellectual Property.** The success of the Adviser's strategies is in part dependent upon the validity of the intellectual property utilized by the Investment Adviser in the conduct of its business, including in respect of its proprietary trading algorithms and any other analytical tools upon which the Investment Adviser's trading activities are predicated.

**Algorithmic Trading Risks.** The Investment Adviser currently anticipates making significant use of quantitative and "algorithmic" trading strategies or systems. Algorithmic trading is generally accomplished through the use of computer algorithms and systems to automatically make trading decisions, submit orders, and manage those orders after submission, all without human intervention. The Investment Adviser's algorithmic trading activities, including risk management, depend on the integrity and performance of the hardware, software and communications systems supporting them. Extraordinary transaction volume, hardware or software failure, programming defects or flaws, power or telecommunications failure or a natural disaster could cause the Investment Adviser's computer systems to operate at an unacceptably slow speed or even fail. Any significant degradation or failure of the systems the Investment Adviser uses to gather and analyze information, enter transaction orders, process data, monitor risk levels and for other purposes may result in substantial losses on transactions, liability to other parties, lost profit opportunities, increased operational expenses and/or diversion of technical resources.

**Leverage.** The low margin and collateral deposits required to trade certain financial instruments may permit a high degree of leverage.

In addition, the Adviser intends to utilize bank and/or Broker-provided financing in order to increase the capital available for investment in its trading of equities and similar financial instruments. The degree of leverage that the Adviser intends to utilize is not limited to any predetermined level. Additionally, the use of leverage by the Adviser will be subject to applicable legal, bank or broker imposed leverage limitations, to the extent applicable. The amount of borrowings a Fund may have outstanding at any time may be large in relation to its capital. Consequently, the level of interest rates, generally, and the rates at which a Fund can borrow, in particular, will affect the operating results of a Fund.

As a result of trading with a high degree of leverage, a relatively small price movement in a financial instrument may result in immediate and substantial losses to the Funds. Thus, like other leveraged investments, any trade may result in losses in excess of the amount invested. Funds may lose more than its initial margin deposit on a trade. In addition, if a Fund is in a leveraged position, any losses would be more pronounced than if leverage were not used and, under particularly adverse circumstances, could exceed its capital.

**General Risks of Arbitrage Transactions.** The success of arbitrage strategies (whether convertible arbitrage, merger arbitrage, volatility arbitrage, capital structure arbitrage or otherwise) depends often on the ability to execute two or more transactions at desired prices. Should such transactions not be executed at the desired prices, losses may be incurred on both sides of the transaction. Additionally, separate costs are incurred on both sides of an arbitrage transaction, and substantial favorable price moves may be required before a profit can be realized. There can be no assurances that the hedging and arbitrage strategies used by the Manager will be successful. The market values of related financial instruments may not move in correlation with each other or in ways anticipated by the Manager, and intervening events may cause hedged positions not to perform as anticipated. A hedged position may perform less favorably in generally rising markets than an unhedged position.

**Currency and Exchange Rate Risks.** Clients are expected to invest in financial instruments denominated in currencies other than the U.S. dollar or in financial instruments which are determined with references to currencies other than the U.S. dollar. Clients, however, will generally value its assets in U.S. dollars, and generally does not intend to hedge its exposure to non-U.S. currencies. The value of a Fund's assets will fluctuate with U.S. dollar exchange rates as well as with price changes of its investments in the various local markets and currencies. Thus, an increase in the value of the U.S. dollar compared to the other currencies in which the Funds may make investments will reduce the effect of increases and magnify the U.S. dollar-equivalent of the effect of decreases in the prices of the Fund's financial instruments in their local markets. Conversely, a decrease in the value of the U.S. dollar will have the opposite effect of magnifying the effect of increases and reducing the effect of decreases in the prices of the Fund's non-U.S. dollar financial instruments.

**Effectiveness of Risk Reduction Techniques.** The Investment Adviser may employ various risk reduction strategies designed to minimize the risk of its trading positions. A substantial risk remains, nonetheless, that such strategies will not always be possible to implement and when possible will not always be effective in limiting losses. If the Investment Adviser analyzes market conditions incorrectly, or employs a risk reduction strategy that does not correlate well with the Investment Adviser's investments, such risk reduction techniques could result in a loss, regardless of whether the intent was to reduce risk or increase return. These risk reduction techniques may also increase the volatility of the Funds and/or result in a loss if the counterparty to the transaction does not perform as promised.

**The Markets and Financial Instruments Traded by the Funds May be Illiquid.** At various times, the markets for financial instruments purchased or sold by the Funds may be "thin" or illiquid, making purchase or sale at desired prices or in desired quantities difficult or impossible. As part of its emergency powers, an exchange or regulatory authority can suspend or limit trading in a particular instrument, order immediate liquidation and settlement of a particular contract, or order that trading in a particular contract be conducted for liquidation only. The possibility also

exists that governments may intervene to stabilize or fix exchange rates, restricting or substantially eliminating trading in the affected currencies.

**Concentration of Investments.** There generally is no limit on the amount of assets that the Funds can invest in any particular position or strategy. Accordingly, a loss in any single position or strategy could have a material adverse impact on the Fund's capital.

*Strategy and Other Investment Specific Risks*

**Equity Securities.** The Funds will trade in equity securities. Common stock and similar equity securities generally represent the most junior position in an issuer's capital structure and, as such, generally entitle holders to an interest in the assets of the issuer, if any, remaining after all more senior claims to such assets have been satisfied. Holders of common stock generally are entitled to dividends only if and to the extent declared by the governing body of the issuer out of income or other assets available after making interest, dividend and any other required payments on more senior securities of the issuer. The value of equity securities may fluctuate in response to specific situations for each company, industry market conditions and general economic environments.

**Mid-Cap Companies.** Some of the issuers of equity securities in which the Investment Adviser may invest on behalf of the Funds may be more vulnerable than larger companies to adverse business or market developments, may have limited markets or financial resources and may lack experienced management. In addition, medium size companies are not well known to the investing public, do not have significant institutional ownership and are followed by relatively few analysts. Therefore there may tend to be less publicly available information concerning such companies compared to what is available for companies that have larger market capitalizations.

**Options Trading.** Among the financial instruments that the Funds may trade are options. An option is a right, purchased for a certain price, to either buy or sell the underlying instrument or product during or at the end of a certain period of time for a fixed price. The risks in trading options are different from the risks in trading the underlying instruments or products, and trading in options can provide a greater potential for profit or loss than an equivalent investment in the underlying asset.

**Hedging Transactions.** The Investment Adviser may utilize financial instruments for investment purposes and for risk management and hedging purposes. The Fund's portfolio consists of individual long and short positions, with an attendant tailored exposure to various risk factors (as more fully described herein) and a dynamic position sizing process. Since the characteristics of many financial instruments change as markets change or time passes, the success of the Fund's strategy will also be subject to the Investment Adviser's ability to continually recalculate, readjust, and execute its strategy in an efficient and timely manner. While the Funds may enter into transactions to seek to reduce risk, such transactions may result in a poorer overall performance for the Funds than if it had not engaged in any such transactions.

Although risk management and monitoring is an integral component of the Investment Adviser's strategy, the Investment Adviser does not, and is not required to, apply specific risk management or portfolio diversification policies in managing the Fund's portfolio other than those described in this Memorandum. To the extent that the Investment Adviser engages in transactions intended to hedge certain of the Fund's market risks, the Funds may have exposure to movements of indices,

economies or other market characteristics. The Investment Adviser does not expect to attempt to hedge or mitigate all, or even most, of such risks. In fact, a number of the risks to which the Fund's portfolio is subject cannot be effectively hedged or mitigated.

**Foreign Securities.** The Funds may invest in securities of non-U.S. issuers. Investing in securities of non-U.S. issuers involves certain considerations comprising both risks and opportunities not typically associated with investing in securities of United States issuers, including, without limitation, risks relating to (i) currency exchange matters, including fluctuations in the rate of exchange between the United States dollar and the various non-U.S. currencies in which the Fund's portfolio securities will be denominated, and costs associated with conversion of investment principal and income from one currency into another; (ii) differences between the United States and non-U.S. securities markets, including potential price volatility in and relative illiquidity of some non-U.S. securities markets, the absence of uniform accounting, auditing and financial reporting standards, practices and disclosure requirements, less government supervision and regulation, higher transaction costs and difficulty in enforcing contractual obligations; (iii) certain economic and political risks, including potential exchange control regulations and potential restrictions on foreign investment and repatriation of capital, political and social instability, expropriation, nationalization of issuers, voiding or non-performance of government contracts or obligations and (iv) the possible imposition of withholding taxes on income received from or gains with respect to such securities.

**ADRs.** The Funds may invest in equity securities of non-U.S. issuers traded on U.S. exchanges, and ADRs of non-U.S. issuers. Many of these non-U.S. issuers transact their business in currencies other than the U.S. dollar, and many U.S. issuers also transact some of their business in non-U.S. currencies or compete with companies that do so; thus, most issuers of U.S. dollar denominated securities have exposure to currency fluctuations between the value of the U.S. dollar and other currencies in which they transact business. The values of these U.S. dollar denominated securities can be affected materially by such currency fluctuations, regardless of whether the non-U.S. issuer's shares are traded in its home market.

**Cash Investments.** The Funds also may from time to time hold a significant amount of cash or invest in cash equivalents (including in times of usual or adverse conditions and for temporary defensive purposes). While the Funds holds cash or has investments in cash equivalents, the overall appreciation of the assets in the Funds may be less than if all the assets of the Funds were invested fully in accordance with the relevant investment strategy.

**Systems Risks.** The Funds depend on the Investment Adviser to develop and implement appropriate systems for the Fund's activities. The Funds rely extensively on computer programs and systems to trade, clear and settle securities transactions, to evaluate certain securities based on real-time trading information, to monitor its portfolio and net capital, and to generate risk management and other reports that are critical to oversight of the Fund's activities. The ability of its systems to accommodate an increasing volume of transactions could also constrain the Investment Adviser's ability to manage the portfolio. In addition, certain of the Fund's and the Investment Adviser's operations interface with or depend on systems operated by third parties, including prime brokers and market counterparties and their respective sub-custodians, and other service providers, and the Investment Adviser may not be in a position to verify the risks or reliability of such third party systems. These programs or systems may be subject to certain defects, failures or interruptions, including, but not limited to, those caused by worms, viruses and power

failures. Any such defect or failure could have a material adverse effect on the Fund. For example, such failures could cause settlement of trades to fail, lead to inaccurate accounting, recording or processing of trades, and cause inaccurate reports, which may affect the Fund's ability to monitor its investment portfolio and its risks. The Investment Adviser is not liable to the Funds for losses caused by systems failures or due to any breakdown in the means of the communication normally used to ascertain the value of the Fund's investments or to conduct trading in such investments.

**Execution of Orders.** The Fund's trading strategies depend on the ability to establish and maintain an overall market position in a combination of financial instruments selected by the Investment Adviser. The Fund's trading orders may not be executed in a timely and efficient manner due to various circumstances, including, without limitation, systems failures or human error attributable to employees, brokers, agents or other service providers. In such events, the Funds might only be able to acquire some, but not all, of the components of such position, or if the overall position were to need adjustment, the Funds might not be able to make such adjustment. As a result, the Funds would not be able to achieve the market position selected by the Investment Adviser, and might incur a loss in liquidating its position.

**Operational Risks.** The volume and complexity of the Fund's transactions may place substantial burdens on the Investment Adviser's operational systems and resources, including those related to trade entry and execution, position reconciliation, corporate actions, collateral and margin maintenance, marking procedures, finance, accounting, profit and loss reporting, internal management and risk reporting and funds transfers. Human error, system failure or other problems with any of these processes could result in material losses or costs, which will generally be borne by the Fund.

**Long/Short Strategy.** The Funds may pursue a long/short strategy in certain financial instruments. Because a long/short strategy involves identifying financial instruments which are generally undervalued (or, in the case of short positions, overvalued) by the marketplace, success of this strategy necessarily depends upon the market eventually recognizing such value in the price of the security, which may not necessarily occur or may occur over extended time frames, which may limit profitability. Long (short) positions may undergo significant short-term declines (increases) and experience considerable price volatility during these periods. In addition, long and short positions may or may not achieve their expected returns. If the long and short positions do not achieve their expected returns, it is possible to have investment losses in both the long and short sides of the portfolio.

**Force Majeure.** Neo Ivy activities, as well as its portfolio investments, could be affected by force majeure events (i.e., unforeseen circumstances beyond Neo Ivy's control). Certain force majeure events (such as war or an outbreak of an infectious disease) could have a broader negative impact on the world economy and business activity in general. Force majeure events include, but are not limited to: acts of God, war, riots, fire, flood, hurricane, earthquake, explosion, outbreaks of an infectious disease, pandemic or any other serious public health concern, act or threat of terrorism, labor strikes, theft, cyber-attacks, malicious damage, electricity line rupture, energy blackouts, failure of technology, social instability, etcetera).



**Item 9 – Disciplinary Information**

This item is not applicable.

**Item 10 – Other Financial Industry Activities and Affiliations**

The General Partner, an affiliate of the Adviser, claims an exemption from registration with the Commodity Futures Trading Commission (“CFTC”) as a Commodity Pool Operator pursuant to CFTC Rule 4.13(a)(3).

The Adviser and its management persons are not registered as broker-dealers and do not have any application pending to register with the SEC as a broker-dealer or registered representative of a broker-dealer.

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

Neo Ivy has adopted a Code of Ethics (the “Code”) pursuant to Rule 204A-1 of the Investment Advisers Act of 1940, as amended (the “Advisers Act”) which sets forth standards of ethical and business conduct expected of its personnel and addresses conflicts that may arise from personal trading by its personnel. Neo Ivy’s Code, among other things, requires compliance with the U.S. federal securities laws; and reflects Neo Ivy’s fiduciary responsibilities and those of its personnel. It further prohibits certain personal securities transactions; requires Neo Ivy’s personnel to periodically report their personal securities transactions and to preclear certain securities transactions; and addresses prevention of the misuse of material non-public information. Neo Ivy permits employees and their family members and dependents to engage in personal account trading subject to compliance to written policies and procedures contained in its Code and in the Adviser’s Personal Trading Policy.

The Code of Ethics will be provided to any investor or potential investor upon request.

It is the responsibility of all Neo Ivy personnel to ensure that the Adviser conducts its business with the highest level of ethical standards and in keeping with the fiduciary duties owed to Neo Ivy Clients. Employees have a duty to place the interests of our Clients first and to refrain from having outside interests that conflict with the interests of our Clients. The Adviser has a duty to act with loyalty, impartiality and prudence and in the best interests of Clients. Employees must avoid any circumstances that might adversely affect, or appear to affect, their duty of loyalty to Clients.

Neo Ivy has adopted policies and procedures that are designed to prevent the misuse of material nonpublic information (“MNPI”). Neo Ivy personnel may not trade, either personally or on behalf of a Client, on material nonpublic information or communicate material nonpublic information to another person in violation of the law. This policy applies to all Neo Ivy personnel and extends to their activities both within and outside their duties at the firm.

None of our personnel may serve as a director of any company without prior approval by the CCO based upon a determination that service as a director would not be adverse to the interest of any of our clients.

The Code requires that all personnel have read the Code, agreed to adhere to the Code, and are aware that a record of all violations of the Code will be maintained by the Chief Compliance Officer and that personnel who violate the Code are subject to sanctions by the Adviser which may include termination. Employees are required to report any violation or apparent violation of the Code to the CCO.

The Adviser’s employees and related persons and entities may invest in private funds managed by the Adviser and may hold a substantial portion of a private fund’s assets. Such investments pose a risk that the Adviser, or individuals who are in a position to control the allocation of investment opportunities to the Adviser’s Clients, will favor those private funds in which Neo Ivy’s related

persons invest. Additionally, Neo Ivy's related persons have access to information that is not available to other investors in such private funds.

The Adviser and its related persons do not purchase or sell any portfolio securities for their own accounts from or to the accounts of Clients.

**Item 12 – Brokerage Practices**

The Adviser is responsible for the placement of the portfolio transactions of the Clients and the negotiation of any commissions paid on such transactions. Portfolio securities normally are purchased through broker-dealers on securities exchanges or directly from the issuer or from an underwriter or market maker for the securities. Purchases of portfolio instruments through broker-dealers involve a commission to the broker-dealer. Purchases of portfolio securities from dealers serving as market makers include the spread between the “bid” and the “ask” price. The Adviser does not commit to allocate a particular amount of brokerage business to any broker-dealer.

Securities transactions for the Clients are executed through broker-dealers selected by the Adviser in its sole discretion and without the consent of the Clients or the Investors. In placing portfolio transactions, Neo Ivy seeks to obtain the best execution for the Clients, taking into account some or all of the following factors: the ability to effect prompt and reliable executions at favorable prices (including the applicable dealer spread or commission, if any); the operational efficiency with which transactions are effected, taking into account the size of the order and difficulty of execution; the financial strength, integrity and stability of the broker-dealer; the broker’s risk in positioning a block of securities; the quality, comprehensiveness and frequency of available research services considered to be of value; and the competitiveness of commission rates in comparison with other broker-dealers satisfying the Adviser’s other selection criteria. Neo Ivy is not required to weigh any or all of these factors equally.

It is not Neo Ivy’s practice to negotiate “execution only” commission rates, thus a Client may be deemed to be paying for research, brokerage or other services provided by a broker-dealer which are included in the commission rate. This may cause a Client to pay a brokerage commission in excess of that which another broker might have charged for effecting the same transaction. Consistent with its best execution practices, Neo Ivy makes a good faith determination that the amount of commission is reasonable in relation to the value of the research or brokerage services received, viewed in terms of either the specific transaction or the Adviser’s overall responsibility to its Clients. The Adviser regularly evaluates the brokerage services it receives and the reasonableness of commissions paid.

The Adviser may use client brokerage commissions, or “soft dollars,” to obtain research and brokerage services that provide lawful and appropriate assistance to the Adviser in carrying out its investment decision-making responsibilities, as permitted under the safe harbor of Section 28(e) of the Securities Exchange Act of 1934 (“Section 28(e)"). *Soft Dollars* refers to the practice of using client commission dollars to compensate a broker-dealer for investment research, including proprietary broker research and third party research, and brokerage execution services and other products and services provided by the broker to a discretionary investment adviser.

The use of Client commissions to obtain research, products or services raises conflicts of interest. For example, the Adviser will not have to pay for such services itself. This may create an incentive for Neo Ivy to select a broker based on its interest in receiving such products and services.

Broker-dealers may provide products and services paid for through soft dollars either directly, or through credits deposited into an account, via a commission sharing arrangement, which may be used for research developed by the broker-dealer, third-party research and brokerage services. Section 28(e) provides a safe harbor from liability for breach of fiduciary duties relating to the purchase of limited research or brokerage services using soft dollars so long as the products and services received constitute lawful and appropriate assistance and the amount indirectly paid for those products or services is reasonable.

Currently, the Adviser's only soft dollar arrangement is to receive proprietary research from its brokers. This research is used exclusively by the Adviser in its investment decision making process. The Adviser has determined that all such research is within the definition of "research" as defined in the Section 28(e) safe harbor. Currently, Neo Ivy has no commission sharing arrangements in place.

It is the policy of Neo Ivy to allocate investment opportunities fairly and equitably. At all times that Neo Ivy advises more than one Client it will follow procedures to ensure that allocations do not favor or discriminate against any Client. Account performance is never a factor in trade allocations. Generally, trade allocations will be made pro rata based on the relative capital size of each of Client to the extent that the Clients have similar investment mandates.

From time to time, the Adviser may participate in capital introduction programs arranged by broker-dealers, including firms that serve as prime brokers to a private fund managed by the Adviser or recommend investments in these private funds as investments to the clients of the broker-dealer. The Adviser may place client portfolio transactions with firms who have made such recommendations or provided capital introduction opportunities, if the Adviser determines that it is otherwise consistent with seeking best execution. In no event will the Adviser select a broker-dealer as a means of remuneration for recommending the Adviser or any other product managed by the Adviser (or an affiliate) or affording the Adviser with the opportunity to participate in capital introduction programs.

Neo Ivy does not direct client transactions to a particular broker-dealer in return for client referrals.

**Item 13 – Review of Accounts**

Neo Ivy continuously monitors and analyzes the transactions, positions, and investment levels of Client portfolios to ensure that they conform to the Client's investment objectives and guidelines. These reviews are designed, in part, to monitor and analyze securities and other asset holdings as well as desired risk levels.

The administrator for the Neo Ivy Funds will send Investors monthly account statements as well as audited financial statements produced by an independent public accounting firm annually, delivered within 120 days of the relevant Fund's fiscal year end.

The Adviser may also provide to Investors interim written reports and letters that review a Client's performance.

**Item 14 – Client Referrals and Other Compensation**

The Adviser does not receive economic benefits from non-clients for providing investment advice or other advisory services to our Clients. Nor does the Adviser or any of our related persons directly or indirectly compensate any person who is not a supervised person, including placement agents, for Client referrals.

The Adviser receives certain research or other products or services from broker-dealers. The receipt of these “soft-dollar” items create an incentive for the Adviser to select or recommend broker-dealers based on the Adviser’s interest in receiving the research or other products or services and may result in the selection of a broker-dealer on the basis of considerations that are not limited to the lowest commission rates and may result in higher transaction costs than would otherwise be obtainable. Please see Item 12 for further information on the Adviser’s “soft-dollar” practices, including the Neo Ivy’s procedures for addressing conflicts of interest that arise from such practices.



**Item 15 – Custody**

The Adviser or an affiliate of the Adviser is deemed to have custody of assets of one or more of the Neo Ivy Funds. Neo Ivy will comply with Advisers Act’s “Custody Rule,” by meeting the conditions of the pooled vehicle annual audit provision. Annually, upon completion of the relevant Fund’s annual audit, the Adviser will distribute the Fund’s audited financials to Investors within 120 days of the Fund’s fiscal year end. The audit shall be prepared in accordance with U.S. generally accepted accounting principles by an independent public accountant that is registered with, and subject to inspection by, the Public Company Accounting Oversight Board.

**Item 16 – Investment Discretion**

Neo Ivy has discretionary authority, pursuant to investment management agreements in place with Clients, to select the securities and investments to be bought or sold and the amount thereof and the brokers or dealers through which transactions will be executed. Investors generally cannot place any limits on the Adviser's authority beyond the limitations set forth in the applicable Neo Ivy Fund's offering documents or as stated in the management agreement for any Sub-advised Funds that may exist in the future.

**Item 17 – Voting Client Securities**

Neo Ivy's policy is to generally not vote the proxies of companies on behalf of its Clients. In voting or not voting proxies, Neo Ivy is guided by general fiduciary principles.

As the Adviser employs a quantitatively driven method of analysis, which results in a high turnover of securities, the Adviser will generally not engage in voting proxies for its Clients, as it has concluded that under ordinary circumstances the voting of proxies for these accounts would not be in the best interests of its Clients because it would divert resources from the implementation of its trading strategy.

Notwithstanding the foregoing, the Adviser, may in its sole discretion, and guided by its fiduciary duties, choose to vote a proxy if it determines that doing so is in the best interests of a Client. Should the Adviser choose to vote a Client security, it is possible that a conflict of interest may arise with respect to a proxy vote between the interests of the Clients and the Adviser and its affiliates, or among the Adviser's Clients. If a material conflict of interest exists, Neo Ivy will determine whether voting in accordance with the guidelines set forth in its proxy voting policies and procedures is in the best interests of the Clients or take some other appropriate action.

**Regulatory Background**

Rule 206(4)-6 of the Advisers Act requires an Adviser that exercises voting authority with respect to its client's securities to: (i) adopt written policies reasonably designed to ensure that the Adviser votes in the best interest of its clients and addresses how the Adviser will deal with material conflicts of interest that may arise between the Adviser and its clients; (ii) disclose to its clients information about such policies and procedures; and (iii) upon request, provide information on how proxies were voted.

Pursuant to its fiduciary duty, to the extent that the Adviser has discretion to vote the proxies of its advisory Clients, and the Adviser will vote known proxies, or not vote such proxies, in a way that maximizes the value of Client assets. The Adviser will generally not vote a proxy when it is determined that the cost of voting the proxy exceeds the expected benefit to the Client.

**Conflicts of Interest**

Neo Ivy will not put its own interests ahead of those of any Client. In the event that a potential conflict of interest arises in connection with voting a proxy, a conflict of interest will be considered material to the extent that the conflict has the potential to influence the Adviser's decision making in voting the proxy. Neo Ivy may take into account all relevant factors, as determined by the Adviser in its sole discretion including, without limitation: (i) the impact on the value of the securities or instruments owned by the relevant Client account and the returns on those securities; (ii) the anticipated associated costs and benefits; (iii) the continued or increased availability of portfolio information; and (iv) industry and business practices.

The CCO will maintain a record of any proxy voted on behalf of a Client. Clients may obtain a copy of the Adviser's Proxy Voting Policy and any proxy voting record by contacting the Adviser.

**Item 18 – Financial Information**

This item is not applicable.