

**BROCHURE OF
LIONHUNTER CAPITAL MANAGEMENT, LLC**

A New York Limited Liability Company registered with the Securities and Exchange
Commission as an Investment Adviser

42 Elmhurst Ave.
Staten Island, New York 10301

Telephone: (212) 602-0686

This Brochure provides information about the qualifications and business practices of Lionhunter Capital Management, LLC. If you have any questions about the contents of this Brochure, please contact our Chief Compliance Officer, Robert Grgas, at (212) 602-0642 or rgrgas@lionhuntercapital.com. 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 Lionhunter Capital Management, LLC also is available on the SEC's website at www.adviserinfo.sec.gov.

Registration as an investment adviser does not imply a certain level of skill or training.

The Date of this Brochure is:

January 4, 2021

The delivery of this Brochure at any time does not imply that the information contained herein is correct as of any time subsequent to the date shown above.

Material Changes to Brochure

This is Lionhunter Capital Management, LLC's initial Brochure.

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Item 4. Advisory Business.

- (A) **Description of Our Advisory Firm.** Lionhunter Capital Management, LLC (the “Firm”, or “us”, “we” or “our”) is a U.S. Securities and Exchange Commission (“SEC”) registered investment adviser. As stated on the cover page of this Brochure, registration as an investment adviser does not imply a certain level of skill or training. The Firm was formed as a Delaware limited liability company on March 31, 2015. The principal owner and controlling person of the Firm is Vadim Mostovoy (“Principal”). References herein to the Firm shall be deemed to include the Firm’s affiliates, as applicable, unless the context otherwise requires.
- (B) **Types of Advisory Services We Offer.** The Firm offers discretionary portfolio management services to clients and prospective clients (each a “Client”), through separately managed accounts, pursuant to such Clients investment management agreement (each an “IMA”). The Firm’s investment advice is tailored to meet the Clients’ needs and investment objectives within the context of either an aggressively based strategy or a conservative based strategy (each a “Strategy”). The Firm gathers financial information, assess the Client’s goals, and assess the amount of risk the Firm believes would be appropriate for each Client’s investments within its chosen Strategy. The information gathered would help the Firm implement an asset allocation strategy that is specific to the client’s goals within its Strategy.

There are a few ways we might structure an investment portfolio within each Strategy based on what the Firm believes is suitable for the Client. Each Strategy shall invest primarily, but not exclusively, in equities, fixed income, mutual fund products, ETFs, preferred stock, new issues and follow-on offerings. The Firm may customize a Client’s portfolio based on the goals and risk tolerances shared during the information gathering process with such Client.

The Firm does not hold itself out as specializing in a particular type of advisory service.

The strategies employed by the Firm involve risk of loss that Clients should be prepared to bear.

- (C) **Tailoring of Our Advisory Services.** The Firm may tailor its Client’s investments within the Client’s chosen Strategy.
- (D) **Wrap Fee Programs.** The Firm does not participate in wrap fee programs.
- (E) **Amount of Client Assets We Manage.** As of January 4, 2021 we manage no Client assets on a discretionary basis and no Client assets on a non-discretionary basis.

Item 5. Fees and Compensation.

- (A) **How We are Compensated for Our Advisory Services.** The Firm is compensated for its advisory services by charging a negotiated management fee ranging from 1% to 3% subject to negotiation, depending on factual circumstances.
- (B) **How We Collect Our Fees.** Management fees for each Strategy are calculated and deducted quarterly in arrears from each relevant Client account, as specified in the applicable Client IMA. Such fees will be directly debited from the Client's account within approximately 10 days of the fee calculation date.
- (C) **Additional Fees and Expenses.**

Generally: The Firm will be responsible for its own general operating and overhead expenses associated with providing the management and investment management services. These expenses include all expenses incurred by the Firm in providing for its operating overhead, including, but not limited to, the cost of providing relevant support and administrative services (e.g., employee compensation and benefits, rent, office equipment, computer systems, insurance, utilities, telephone, secretarial and bookkeeping services, etc.).

Clients will also bear any agreed upon expenses as set forth in the relevant investment management agreement, including brokerage and other transactions costs. Without limiting the foregoing, generally, the Client shall pay, or reimburse the Firm for, certain fees and expenses which may include, in some or all instances, fees and costs relating to the trading of securities, brokerage commissions (see Item 12, "Brokerage Practices"), costs of borrowing securities to be sold short, costs of preparing and mailing reports to Clients, and other similar fees and expenses. The Client may also pay or reimburse the Firm for research fees and expenses (including online news and quotation services) appropriately allocable, in the Firm's discretion, to the operations of advising said Client.

The Firm will not receive any portion of such commissions or fees from the custodian or Client. In addition, Clients may incur certain charges imposed by third parties other than the Firm in connection with investments made through the account, including but not limited to, mutual fund sales loads, 12(b)-1 fees, and surrender charges, and IRA and qualified retirement plan fees. Performance Fees charged by the Firm are separate and distinct from the fees and expenses charged by investment company securities that may be recommended to Clients. A description of these fees and expenses are available in each mutual fund security's prospectus.

Clients should review Item 12, which discusses conflicts of interest related to brokerage practices.

- (D) **Fees Paid in Arrears.** The Firm collects management fees quarterly in arrears at the end of each applicable quarter based on the Client's account market value at such quarter.

- (E) **Compensation for the Sale of Securities or Other Investment Products.** No supervised person accepts compensation (e.g., brokerage commissions) for the sale of securities or other investment products.

Item 6. Performance Based Fees and Side-by-Side Management.

Currently the firm is not intending to charge performance based fees.

Item 7. Types of Clients.

As described in Item 4.B above, the Firm's Clients are currently comprised of individuals, high-net-worth individuals, as well as other accredited and non-accredited clients. All Clients utilizing the aggressive strategy (described above in Item 5.(A)(ii)) must meet suitability requirements as a Qualified Client as defined under the Investment Advisers Act.

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

- (A) **Investment Strategies.** Each Strategy utilizes fundamental analysis with the goal of achieving absolute returns. Fundamental analysis involves the analysis of financial statements, the general financial health of companies, and/or the analysis of management or competitive advantages. Each Strategy may employ, primarily but not exclusively, a combination of equities, fixed income, mutual fund products, ETFs, preferred stock, new issues and follow-on offerings in order to achieve the goals of within the context of relevant Strategy.

Each Strategy is described more fully in the Client's IMA.

Investing in assets of the types invested in by the Firm involves significant risks, including the risk that a Client could lose some or all of any invested capital. The strategies employed by the Firm involve risk of loss that Clients should be prepared to bear.

- (B) **Risks Attendant to Our Investment Strategies.** Set forth below are certain risks attendant to the Firm's Strategies. Such risks are described more fully in the Client's IMA.

Fundamental Analysis. Concentrates on factors that determine a company's value and expected future earnings. This strategy would normally encourage equity purchases in stocks that are undervalued or priced below their perceived value. The risk assumed is that the market may fail to reach expectations of perceived value.

Mutual Funds. Investing in mutual funds carries the risk of capital loss. Mutual funds are not guaranteed or insured by the FDIC or any other government agency. You can lose money investing in mutual funds. All mutual funds have costs that lower investment returns. They can be of bond "fixed income" nature (lower risk) or stock "equity" nature.

Equity. Equity investing generally refers to buying shares of stocks or exchange traded funds (“ETFs”) in return for receiving a future payment of dividends and/or capital gains if the value increases. There is an innate risk involved when purchasing an equity product that it may decrease in value and the investment may incur a loss, sometimes up to a 100% loss in the case of a stock holding bankruptcy. Investments in equity securities are not guaranteed or insured by the FDIC or any other government agency.

Treasury Inflation Protected/Inflation Linked Bonds. The Risk of default on these bonds is dependent upon the U.S. Treasury defaulting (extremely unlikely); however, they carry a potential risk of losing share price value, albeit rather minimal.

Fixed Income. Fixed income investing guarantees fixed periodic payments in the future that may involve economic risks such as inflationary risk, interest rate risk, default risk, repayment of principal risk, etc.

Short Selling. The Firm’s Strategies may direct a portion of Client portfolios to be invested in selling securities short. Although the Firm may sell short a variety of assets, it expects most short trades to be in equity securities. Short selling involves the sale of a security that a Client does not own and must borrow in order to make delivery in the hope of purchasing the same security at a later date at a lower price. In order to make delivery to its purchaser, the Client must borrow securities from a third party lender. The Client subsequently returns the borrowed securities to the lender by delivering to the lender the securities it receives in the transaction or by purchasing securities in the open market. Clients must generally pledge cash with the lender equal to the market price of the borrowed securities. This deposit may be increased or decreased in accordance with changes in the market price of the borrowed securities. During the period in which the securities are borrowed, the lender typically retains his right to receive interest and dividends accruing to the securities. In exchange, in addition to lending the securities, the lender generally pays the Client a fee for the use of the Client’s cash. This fee is based on prevailing interest rates, the availability of the particular security for borrowing and other market factors.

Theoretically, securities sold short are subject to unlimited risk of loss because there is no limit on the price that a security may appreciate before the short position is closed. In addition, the supply of securities that can be borrowed fluctuates from time to time. Clients may be subject to substantial losses if a security lender demands return of the lent securities and an alternative lending source cannot be found.

Liquidity Risk. Liquidity risk exists when particular investments are difficult to purchase or sell (e.g., not publicly traded and/or no market is currently available or may become less liquid in response to market developments). This can reduce a portfolio’s returns because the portfolio may be unable to transact at advantageous times or prices. Investments that are illiquid or that trade in lower volumes may be more difficult to value.

Exchange Traded Funds (ETFs). Investing in ETFs carry the risk of capital loss (sometimes up to a 100% loss in the case of similar to an equity investment. Investments

in these securities are not guaranteed or insured by the FDIC or any other government agency.

Precious Metal ETFs. (Gold, Silver, Palladium Bullion backed “electronic shares” not physical metal): Investing in precious metal ETFs carries the risk of capital loss.

New Issues. New issue securities (equity/debt) often prove to be rather volatile and unpredictable.

Long Term Trading. Long term trading is designed to capture market rates of both return and risk. Due to its nature, the long-term investment strategy can expose clients to various other types of risk that will typically surface at various intervals during the time the client owns the investments. These risks include but are not limited to inflation (purchasing power) risk, interest rate risk, economic risk, market risk, and political/regulatory risk.

Short Term Trading. Risks include liquidity, economic stability and inflation

Investments in Securities and Other Assets Believed to Be Undervalued. The Firm’s Strategies may direct a portion of the Client portfolios to be invested in assets that the Firm believes to be undervalued. The identification of such investment opportunities is a difficult task, and there are no assurances that such opportunities will be successfully recognized or acquired. While such investments offer the opportunities for above-average capital appreciation, they also involve a high degree of financial risk and can result in substantial losses. Returns generated from investments may not adequately compensate for the business and financial risks assumed. The current economic conditions and any future major economic recession can severely disrupt the markets for such investments and significantly impact their value. In addition, any such economic downturn can adversely affect the ability of the issuers of such obligations to repay principal and pay interest thereon and increase the incidence of default for such securities. Additionally, there can be no assurance that other clients will ever come to realize the value of some of these investments, and that they will ever increase in price. Furthermore, Clients may be forced to hold such investments for a substantial period of time before realizing their anticipated value. During this period, a portion of funds would be committed to the investments made, thus possibly preventing Clients from investing in other opportunities.

Leverage. When deemed appropriate by the Firm and subject to applicable regulations as well as any limitations contained in the applicable IMA, the Client may incur leverage in its investment program, whether directly through the use of borrowed funds, or indirectly through investment in certain types of financial instruments with inherent leverage, such as puts, calls and warrants, which may be purchased for a fraction of the price of the underlying securities while giving the purchaser the full benefit of movement in the market of those underlying securities. While such strategies and techniques increase the opportunity to achieve higher returns on the amounts invested, they also increase the risk of loss. To the extent the Client purchases securities with borrowed funds, its net assets will tend to increase or decrease at a greater rate than if borrowed funds are not used. The level of interest rates generally, and the rates at which such funds may be borrowed in particular, could affect the operating results of the Client. If the interest expense on this

leverage were to exceed the net return on the investments made with borrowed funds, the Client's use of leverage would result in a lower rate of return than if the Client were not leveraged.

Market Volatility. The profitability of the investments chosen by the Firm substantially depends upon the Firm correctly assessing the future price movements of stocks, fixed-income, mutual fund and other financial instruments and products and the movements of interest rates. The Firm cannot guarantee that it will be successful in accurately predicting price and interest rate movements.

Dependence Upon the Firm and the Principal; No Participation in Management. Clients' success will depend on the management of the Firm and on the skill and acumen of its principal. If the principal should cease to participate in the Firm's business, the Firm's ability to select attractive investments and manage Clients' portfolios could be severely impaired.

Broad Discretionary Power to Choose Investments and Strategies. Each IMA gives the Firm broad discretionary power to decide what investments Clients will make within the context of the Clients chosen Strategy. While the Firm currently intends to use the execute each Strategy in the manner laid out in the Clients IMA, it is not obligated to do so, and it may choose any other investments that it believes are advisable.

Lack of Insurance. Client assets are not insured by any government or private insurer, except to the extent portions may be deposited in bank accounts insured by the Federal Deposit Insurance Corporation (FDIC) or with brokers insured by the Securities Investor Protection Corporation (SIPC) and such deposits and securities are subject to such insurance coverage (which, in any event, is limited in amount). Therefore, in the event of the insolvency of a depository or custodian, Clients may be unable to recover all of their funds or the value of securities so deposited.

Competition. The securities industry and the varied strategies and techniques to be engaged in by the Firm are extremely competitive and each involves a degree of risk. The Firm will compete with firms, including many of the larger securities and investment banking firms, which have substantially greater financial resources and research staff.

Investment Activities. Investment activities involve a significant degree of risk. The performance of any investment is subject to numerous factors which are neither within the control of nor predictable by the Firm. Such factors include a wide range of economic, political, competitive and other conditions (including acts of terrorism and war) that may affect investments in general or specific industries or companies. In recent years, the securities markets have become increasingly volatile, which may adversely affect the ability of Clients to realize profits. As a result of the nature of the investing activities, it is possible that financial performance may fluctuate substantially from period to period.

Material Non-Public Information. By reason of their responsibilities in connection with other activities of the Firm and/or its affiliates, certain principals or employees of the Firm

and/or its affiliates may acquire confidential or material non-public information or be restricted from initiating transactions in certain securities. The Firm will not be free to act upon any such information. Due to these restrictions, the Firm may not be able to initiate a transaction that it otherwise might have initiated and may not be able to sell an investment that it otherwise might have sold.

Accuracy of Public Information. The Firm may select investments for Clients, in part, on the basis of information and data filed by issuers with various government regulators or made directly available to the Firm by the issuers or through sources other than the issuers. Although the Firm evaluates such information and data and may seek independent corroboration when the Firm considers it is appropriate and when it is reasonably available, the Firm is not in a position to confirm the completeness, genuineness or accuracy of such information and data, and in some cases, complete and accurate information is not available. Investments may not perform as expected if information is inaccurate.

Hedging Transactions. Investments in financial instruments such as forward contracts, options, commodities and interest rate swaps, caps and floors, and other derivatives are commonly utilized by investment funds to hedge against fluctuations in the relative values of its portfolio positions as a result of changes in currency exchange rates, interest rates and/or the equity markets or sectors thereof. Any hedging against a decline in the value of portfolio positions does not eliminate fluctuations in the values of portfolio positions or prevent losses if the values of such positions decline, but establishes other positions designed to gain from those same developments, thus moderating the decline in the portfolio positions' value. Such hedging transactions also limit the opportunity for gain if the value of the portfolio positions should increase. Moreover, it may not be possible to hedge against a fluctuation at a price sufficient to protect assets from the decline in value of the portfolio positions anticipated as a result of such fluctuations. For example, the cost of options is related, in part, to the degree of volatility of the underlying instruments or assets. Accordingly, options on highly volatile instruments or assets may be more expensive than options on other instruments or assets and of limited utility in hedging against fluctuations in their prices.

The Firm is not obligated to establish hedges for portfolio positions and may not do so. To the extent that hedges are implemented, their success is dependent on the Firm's ability to correctly predict movements in the direction of currency and interest rates and the equity markets or sectors thereof.

Market or Interest Rate Risk. The price of most fixed income securities move in the opposite direction of the change in interest rates. For example, as interest rates rise, the prices of fixed income securities fall. If a Client holds a fixed income security to maturity, the change in its price before maturity may have little impact on such Client's account performance; however, if a Client has to sell the fixed income security before the maturity date, an increase in interest rates could result in a loss to such Client.

Maturity Risk. In certain situations, the Firm, on behalf of certain Clients, may purchase a bond of a given maturity as an alternative to another bond of a different maturity.

Ordinarily, under these circumstances, the Firm will make an adjustment to account for the interest rate risk differential in the two bonds. This adjustment, however, makes an assumption about how the interest rates at different maturities will move. To the extent that the yield movements deviate from this assumption, there is a yield-curve or maturity risk. Another situation where yield-curve risk should be considered is in the analysis of bond swap transactions where the potential incremental returns are dependent entirely on the parallel shift assumption for the yield curve.

Inflation Risk. Inflation risk results from the variation in the value of cash flows from a security due to inflation, as measured in terms of purchasing power. For example, if the Firm, on behalf of certain Clients, purchases a 5-year bond in which it can realize a coupon rate of 5%, but the rate of inflation is 6%, then the purchasing power of the cash flow has declined. For all but inflation linked bonds, adjustable bonds or floating rate bonds, a Client is exposed to inflation risk because the interest rate the issuer promises to make is fixed for the life of the security. To the extent that interest rates reflect the expected inflation rate, floating rate bonds have a lower level of inflation risk.

Default or Bankruptcy of Third Parties. Clients may engage in transactions in securities and other financial instruments and assets that involve counterparties. Under certain conditions, the Client could suffer losses if a counterparty to a transaction were to default or if the market for certain securities, commodities or other financial instruments or assets were to become illiquid. In addition, the Client could suffer losses if there were a default or bankruptcy by certain other third parties, including brokerage firms and banks with which the Client does business, or to which securities, commodities or other financial instruments or assets have been entrusted for custodial purposes.

Cyber Security Breaches and Identity Theft. The Firm's information and technology systems may be vulnerable to damage or interruption from computer viruses, network failures, computer and telecommunication failures, infiltration by unauthorized persons and security breaches, usage errors by its professionals, power outages and catastrophic events such as fires, tornadoes, floods, hurricanes and earthquakes. Although the Firm has implemented various measures to manage risks relating to these types of events, if these systems are compromised, become inoperable for extended periods of time or cease to function properly, the Firm may have to make a significant investment to fix or replace them. The failure of these systems and/or of disaster recovery plans for any reason could cause significant interruptions in the Firm's operations and result in a failure to maintain the security, confidentiality or privacy of sensitive data, including personal information relating to account holder, beneficial owners or investors. Such a failure could harm the Firm's reputation, subject any such entity and its respective affiliates to legal claims and otherwise affect its business and financial performance.

Item 9. Disciplinary Information.

Neither the Firm nor its partners, officers or employees have been involved in any legal or regulatory action, or other disclosable disciplinary event.

Item 10. Other Financial Industry Activities and Affiliations.

- (A) **Broker-Dealer Registration.** The Firm and its management persons are neither registered, nor do they have any applications pending, with a broker-dealer or registered representative of a broker-dealer.
- (B) **FCM, CPO, CTA or Associated Person Registration.** Neither the Firm nor any of its management persons are registered, or have an application pending to register, as a futures commission merchant, commodity pool operator, a commodity trading advisor, or an associated person of the foregoing entities.
- (C) **Certain Relationships or Arrangements that are Material to Our Advisory Business.** The Firm does not believe that currently maintains relationships of arrangements that are material to its advisory business.
- (D) **Recommendation or Selection of Other Investment Advisors.** The Firm does not recommend or select other investment advisers for its Clients.

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

- (A) **Code of Ethics.** In recognition of the Firm's fiduciary obligations to its Clients and the Firm's desire to maintain its high ethical standards, the Firm has adopted a code of ethics ("Code of Ethics") containing provisions designed to: (i) comply with all applicable laws and regulations; (ii) identify conflicts of interest; (iii) observe all fiduciary duties and provide a means to resolve any actual or potential conflict in favor of the Client; and (iv) ensure that all personnel have read the Code of Ethics, agreed to adhere to the Code of Ethics, and are aware that a record of all violations of the Code of Ethics will be maintained by the Firm's Chief Compliance Officer and that personnel who violate the Code of Ethics are subject to sanctions by the Firm.

The Firm will provide a copy of the Code of Ethics to Clients and prospective Clients upon request.

- (B) **Recommendation of Investments in Which We Have a Financial Interest.** The Firm recognizes that the personal securities transactions of the employees are conducted in a highly ethical manner. The firm requires that all such transactions be carried out in a way that does not endanger the interest of any Client. At the same time, the firm believes that its investment goals are similar for clients and for employees of the firm, and that it is logical and even desirable that there be common ownership of some securities. Therefore, in order to address conflicts of interest, the Firm has adopted a set of procedures, included in its Code of Ethics, with respect to transactions effected by its officers, directors, partners,

members and employees (hereafter in this Item 11, "Employees") for their personal accounts. In order to monitor compliance with its personal trading policy, the Firm has adopted a quarterly securities transaction reporting system for all of its Employees. For purposes of the policy, an Employee's "personal account" generally includes any account (a) in the name of the Employee, his/her spouse, his/her minor children or other dependents residing in the same household, (b) for which the Employee is a trustee or executor, or (c) which the Employee controls, including the Firm's Client accounts which the Employee controls and in which the Employee or a member of his/her household has a direct or indirect beneficial interest.

- (C) **Investment in the Same Investments That We Recommend to Clients.** The Firm and/or its related persons may invest in the same securities (or related securities, e.g., warrants, options or futures) recommended to Clients. Please refer to Item 11.(B) above for additional information regarding the Firm's practice in this respect, a discussion of the conflicts of interest this may present and generally how the Firm addresses such conflicts that may arise in connection with personal trading.
- (D) **Recommendation of Investments at the Same Time We Transact in the Same Investments for Our Own Account.** The Firm and/or its related persons may invest in the same securities (or related securities, e.g., warrants, options or futures) recommended to Clients. Please refer to Item 11.(B) above for additional information regarding the Firm's practice in this respect, a discussion of the conflicts of interest this may present and generally how the Firm addresses such conflicts that may arise in connection with personal trading.

Item 12. Brokerage Practices.

The factors that the Firm considers in selecting or recommending broker-dealers for Client transactions and determining the reasonableness of their compensation are described below:

- (A) **Factors Considered in Selecting or Recommending Broker-Dealers.** The Firm may utilize the services of one or more brokers who will execute Clients' brokerage transactions through another broker (or other broker and custodian who will clear the transactions or who are self-clearing). Securities transactions for the Clients are executed through brokers selected by the Firm in its sole discretion and without the consent of Clients. In placing portfolio transactions, the Firm will seek to obtain the best execution for Clients, taking into account 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 and the efficiency of error resolution, taking into account the size of order and difficulty of execution; the financial strength, integrity and stability of the broker; special execution capabilities; clearance; settlement; reputation; on-line pricing; block trading and block positioning capabilities; willingness to execute related or unrelated difficult transactions in the future; order of call; on-line access to computerized data regarding clients' accounts; performance measurement data; the quality, comprehensiveness and frequency of available brokerage and research products and services considered to be of value; the availability of stocks to borrow for

short trades; and the competitiveness of commission rates in comparison with other brokers satisfying the Firm's other selection criteria. Any Managed Accounts shall bear brokerage costs as set forth in the relevant investment management agreement.

1. **"Soft Dollar" Policy.** The term "soft dollars" refers to the receipt by an investment manager of products and services provided by brokers, without any cash payment by the investment manager, based on the volume of brokerage commission revenues generated from securities transactions executed through those brokers on behalf of the investment manager's Clients. Soft dollars accumulated by the broker for the investment manager's use may then be used to pay for various products and services, including research and brokerage services. The availability of soft dollars from certain brokers presents investment managers with significant conflicts of interest, and may give incentives for investment managers to disregard their obligations to Clients (including, without limitation, their best execution obligations) when directing orders.

Section 28(e) of the Exchange Act ("Section 28(e)") provides a "safe harbor" to those investment managers who use soft dollars to obtain investment research and brokerage services. The Firm may use soft dollars generated by the Client's brokerage transactions to pay for brokerage and research products and services that fall within the safe harbor afforded by Section 28(e).

Products and services provided by broker-dealers with soft dollars may be utilized by the Firm and its respective affiliates in connection with the services they offer to other clients. Likewise, products and services provided by broker-dealers with soft dollars generated by other clients may be utilized by the Firm in performing its services for the Client. The receipt of information, products or services by the Firm paid for with soft dollars are in addition to, and not in lieu of, management fees and/or performance fee, respectively, and such fees and allocations will not be reduced as a consequence of the receipt of such products or services purchased with soft dollars.

- (a) When the Firm uses Client brokerage commissions (or markups or markdowns) to obtain research or other products or services, the Firm receives a benefit because the Firm does not have to produce or pay for the research, products or services.
- (b) The Firm may have an incentive to select or recommend a broker-dealer based on the Firm's interest in receiving the research or other products or services, rather than on Clients' interest in receiving most favorable execution.
- (b) The Firm may cause Clients to pay commissions (or markups or markdowns) higher than those charged by other broker-dealers in return for soft dollar benefits (known as paying-up).

- (c) The Firm may use soft dollar benefits to service all Clients or only those Clients that paid for the benefits. The Firm may or may not seek to allocate soft dollar benefits to Clients proportionately to the soft dollar credits the accounts generate.
- (d) Regarding the types of products and services the Firm or any related persons acquired with Client brokerage commissions (or markups or markdowns) within the Firm's last fiscal year were.
- (e) Regarding the procedures the Firm used during its last fiscal year to direct transactions to a particular broker-dealer in return for soft dollar benefits.
- (f) Regarding the procedures the Firm used during its last fiscal year to direct transactions to a particular broker-dealer in return for soft dollar benefits.

2) Brokerage for Client Referrals

- (a) The Firm reserves the right to pay a fee or commission, in its sole discretion, to brokers or other persons who introduce Clients to the Firm, provided that any such fee or commission will be paid solely by the Firm or its affiliates and no portion thereof will be paid by Clients. As a result, the Firm may have an incentive to select or recommend a broker based on the Firm's interest in receiving Client referrals rather than on Clients' interest in receiving most favorable execution. Because such referrals, if any, are likely to benefit the Firm but will provide an insignificant (if any) benefit to Clients, the Firm will have a conflict of interest with Clients when allocating Client brokerage business to a broker who has referred a Client to the Firm. To prevent Client brokerage commissions from being used to pay referral fees, the Firm will not allocate Client brokerage business to a referring broker unless the Firm determines in good faith that the commissions payable to such broker are not materially higher than those available from non-referring brokers offering services of substantially equal value to Clients.

3) Directed Brokerage

- (a) The Firm does not recommend, request, or require a Client to direct the Firm to execute transactions through a specified broker-dealer.
- (b) The Firm does not permit a Client to direct the Firm to execute transactions through a specified broker-dealer.

- (B) **Aggregation of Orders.** The Firm may aggregate purchase and sale orders of investments held by the Client with similar orders being made simultaneously for other accounts or entities if, in the Firm's reasonable judgment, such aggregation is reasonably likely to result in an overall economic benefit to the Client based on an evaluation that the Client will be benefited by relatively better purchase or sale prices, lower commission expenses or beneficial timing of transactions, or a combination of these and other factors. In many instances, the purchase or sale of investments for the Client will be effected simultaneously with the purchase or sale of like investments for other accounts or entities. Such transactions may be made at slightly different prices, due to the volume of investments purchased or sold. In such event, the average price of all investments purchased or sold in such transactions may be determined, at the Firm's sole discretion, and the Client may be charged or credited, as the case may be, with the average transaction price.

Allocation of Trade. The Firm may at times determine that certain investments will be suitable for acquisition by Clients and by other accounts managed by the Firm, the Firm's own accounts or accounts of an affiliate. If that occurs, and the Firm is not able to acquire the desired aggregate amount of such investments on terms and conditions which the Firm deems advisable, the Firm will endeavor to allocate in good faith the limited amount of such investments acquired among the various accounts for which the Firm considers them to be suitable. The Firm may make such allocations among the accounts in any manner which it considers to be fair under the circumstances, including, but not limited to, allocations based on relative account sizes, the degree of risk involved in the investments acquired, and the extent to which a position in such investment is consistent with the investment policies and strategies of the various accounts involved.

Item 13. Review of Accounts.

- (A) **Our Review of Client Accounts.** The Firm monitors Client portfolios on an ongoing basis and addresses any events material to Client accounts.
- (B) **Regular Reports We Provide to Clients.** Client accounts have full transparency, including with respect to the Firm's trading activity in such account. The Client receives periodic reports (generally monthly) from the Client account's third party qualified custodian. The Client reviews the Firm's trading activity on a regular basis and discusses such activity with the Firm as needed.

Item 14. Client Referrals and Other Compensation.

Neither the Firm nor any of its related persons directly or indirectly compensates any person, who is not a supervised person of the Firm, for client referrals.

Item 15. Custody.

The Firm is not deemed to have custody of Client's assets, and a qualified custodian sends quarterly or more frequent account statements to each Client.

Item 16. Investment Discretion.

The Firm exercises discretionary authority to manage assets on behalf of the Clients pursuant to the IMAs. Any limitations on this authority shall be described in the relevant Client's IMA.

Item 17. Voting Client Securities – Proxy Policy.

The Firm shall not maintain authority to vote proxies on behalf of a Client. The Firm will instruct the Client's custodian broker to mail proxy materials directly to Clients.

Item 18. Financial Information.

- (A) The Firm does not require or solicit prepayment of any fees six months or more in advance.
- (B) To the best of our knowledge, there exists no financial condition that is reasonably likely to impair our ability to meet our contractual commitments to our Clients.
- (C) The Firm has not been the subject of a bankruptcy petition at any time during the past ten years.

Item 19. Requirements for State Registered Advisers.

This Item 19 is not applicable, as The Firm is registered as an investment adviser with the U.S. SEC and not with any State governmental authority.