

**ADV Part 2A: Brochure**

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**This brochure provides information about the qualifications and business practices of Teramo Advisors, LLC (“Teramo”). If you have any questions about the contents of this brochure, please contact us at 239.325.8500 or [service@equableshares.com](mailto:service@equableshares.com). The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission (“SEC”) or by any state securities authority.**

**Additional information about Teramo also is available on the SEC’s website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).**

Registration with the SEC does not constitute an endorsement of the firm by the SEC nor does it indicate that the adviser has attained a particular level of skill or ability.

## Item 2 – Material Changes

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The material changes discussed herein are only those changes that have been made to this brochure since the Teramo's initial filing of this brochure on March 15, 2021.

Item 4 was updated to reflect Teramo's assets under management as of May 31, 2021.

Item 15 was updated to provide disclosure regarding the custody of client assets as it relates to the deduction of advisory fees directly from certain clients' accounts at their broker-dealer/custodian.

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#### Item 4 – Advisory Business

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Teramo Advisors, LLC (“Teramo” or “Firm” or “Adviser”) is a Delaware limited liability company based in Naples, FL that has provided investment advisory services since 2018.

##### Mutual Fund:

Teramo serves as investment advisor to the Equable Shares Hedged Equity Fund (“Fund”), which is part of the US Bancorp Series Portfolios Trust. Teramo employs an options-based strategy that seeks income, risk mitigation and long-term capital appreciation.

##### Separately Managed Account (“SMA”):

Teramo offers investment advisory services to institutional investors and high net worth individuals who select a tailored investment strategy after consultation with Teramo. Clients may impose restrictions on investing in certain securities or types of securities.

Teramo is principally owned by RDJ Associates, LLC, which is controlled by Ronald A. Santella, Teramo’s Chief Executive Officer.

As of May 31, 2021, Teramo had approximately \$146.7 million of assets under management, all of which was managed on a discretionary basis.

#### Item 5 – Fees and Compensation

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Teramo earns an asset-based advisory fee for Fund business according to the fee schedule below. Fees and expenses are set forth in the Fund prospectus and paid monthly in arrears based on the average daily net assets of the Fund.

Assets Under Management (in millions)	Annual Advisory Fee
Less than \$250	0.75%
Between \$250 and \$500	0.70%
Greater than \$500	0.65%

The asset-based advisory fee earned for SMA business is typically 0.50% annually but may be higher or lower depending on the client, strategy, assets and level of service. Fees are negotiable and may be assessed monthly or quarterly, in advance or in arrears, and are typically deducted from client assets by the custodian. Any pre-paid fees may be refunded on a pro-rata basis, based on the number of days during the billing period that the client received advisory services, should the advisory agreement be terminated before the end of a billing period. There

may be other fees or expenses associated with SMA advisory services, such as custodian fees and acquired fund expenses, and SMA clients will incur brokerage and other transactions costs. See Item 12 – Brokerage Practices for additional information.

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

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Teramo does not charge performance-based fees and has adopted a series of compliance policies and procedures to ensure that client accounts with substantially similar investment objectives are treated equitably.

## **Item 7 – Types of Clients**

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Teramo provides investment advice to the Fund based on the particular investment objectives and strategies described in the Fund prospectus.

Teramo also provides investment advice to individual and institutional SMA clients subject to a \$10 million account minimum. Smaller accounts may be permitted at Teramo's discretion.

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

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Teramo manages options-based strategies for clients, described below.

### Methods of Analysis:

Teramo provides investment advisory services that include managing option overlay positions around an underlying equity portfolio. Teramo seeks to maintain a portfolio for each client that is consistent with investment objectives, and the Firm analyzes options for portfolio inclusion based on factors including price, strike price, expiration date, exercise style and liquidity.

An integral part of Teramo's analysis is scenario analysis, which estimates how a client account would perform across a range of performance scenarios for the underlying equity portfolio, in both negative and positive markets. Additionally, Teramo analyzes portfolio securities and potential portfolio securities for liquidity and regulatory considerations.

### Equable Shares Hedged Equity Fund (EQHEX):

The Fund employs a defensive equity strategy that is designed to deliver income, upside participation and downside risk mitigation. Equity exposure is designed to track the S&P 500 Index, while call options written by the Fund seek to generate income and mitigate downside

risk. Additional downside risk mitigation may come from a put spread, which entails the purchase of a put option with a relatively higher strike price while writing (selling) a put option with a relatively lower strike price, that seeks to protect against significant market declines.

Before investing in the Fund, you should carefully consider your own investment goals, the amount of time you are willing to leave your money invested, and the amount of risk you are willing to take. Remember that, in addition to possibly not achieving your investment goals, **you could lose all or a portion of your investment in the Fund.** The principal risks of the Fund are summarized below. The principal risks are presented in alphabetical order to facilitate finding particular risks and comparing them with other funds. Each risk summarized below is considered a “principal risk” of investing in the Fund, regardless of the order in which it appears.

- Correlation Risk: The Fund’s investment strategy of writing call options will result in performance that differs from that of the Index. The call options written by the Fund will limit the Fund’s opportunity to participate in increases when the Index performs well. Further, the Fund incurs operating expenses and portfolio transaction costs not incurred by the Index.
- Call Option Risks: Writing call options limits the Fund’s ability to participate in price increases of the underlying securities. For the duration of the option written, the Fund will restrict the opportunity to profit from increases in the market value of underlying equity securities. The premiums received from the options may not be sufficient to offset any losses sustained from the decline in value of the underlying stocks over time. Exchanges may suspend the trading of options in volatile markets. If trading is suspended, the Fund may be unable to write options at times that may be desirable or advantageous to the Fund to do so.
- Cybersecurity Risk: With the increased use of technologies such as the Internet to conduct business, the Fund is susceptible to operational, information security, and related risks. In general, cyber incidents can result from deliberate attacks or unintentional events. Cyber attacks include, but are not limited to, gaining unauthorized access to digital systems (e.g., through “hacking” or malicious software coding) for purposes of misappropriating assets or sensitive information, corrupting data, or causing operational disruption. Cyber attacks may also be carried out in a manner that does not require gaining unauthorized access, such as causing denial-of-service attacks on websites (i.e., efforts to make network services unavailable to intended users). Cyber incidents affecting the Fund or its service providers may cause disruptions and impact business operations, potentially resulting in financial losses, interference with the Fund’s ability to calculate its NAV, impediments to trading, the inability of shareholders to transact business, violations of applicable privacy and other laws, regulatory fines,

penalties, reputational damage, reimbursement or other compensation costs, or additional compliance costs. Similar adverse consequences could result from cyber incidents affecting issuers of securities in which the Fund invests, counterparties with which the Fund engages in transactions, governmental and other regulatory authorities, exchange and other financial market operators, banks, brokers, dealers, insurance companies and other financial institutions (including financial intermediaries and service providers for shareholders) and other parties. In addition, substantial costs may be incurred in order to prevent any cyber incidents in the future. While the Fund's service providers have established business continuity plans in the event of, and risk management systems to prevent, such cyber incidents, there are inherent limitations in such plans and systems, including the possibility that certain risks have not been identified. Furthermore, the Fund cannot control the cybersecurity plans and systems put in place by its service providers or any other third parties whose operations may affect the Fund or its shareholders. As a result, the Fund and its shareholders could be negatively impacted.

- Derivatives Risk: The Fund invests in options on indexes or equity securities. Options are instruments that derive their performance from underlying equity securities, also referred to as "derivatives." Derivatives can be volatile, and the Fund could experience a loss if its derivatives do not perform as anticipated, or are not correlated with the performance of their underlying security or index, or if the Fund is unable to purchase or liquidate a position because of an illiquid secondary market. Changes in liquidity may result in significant, rapid, and unpredictable changes in the prices for derivatives.
- Equity Risk: The Fund invests in ETFs that invest in common stocks, options that derive their performance based on the Index, which is made up of common stocks, and may also at times invest directly in common stocks. Common stocks are susceptible to general stock market fluctuations and to volatile increases and decreases in value as market confidence in and perceptions of their issuers change.
- Exchange-Traded Funds Risk: The risks of investment in ETFs reflect the risks of the underlying instruments in which the ETF invests. When the Fund invests in ETFs, shareholders of the Fund indirectly bear a proportionate share of the ETF's fees and expenses, as well as their share of the Fund's fees and expenses. As a result, an investment by the Fund in an ETF could cause the Fund's operating expenses (taking into account indirect expenses such as the fees and expenses of the ETF) to be higher and, in turn, performance to be lower than if the Fund were to invest directly in the instruments held by the ETF. Shareholders may invest directly in an ETF, and thereby avoid duplicative fees. Trading on an exchange does not guarantee a liquid market will exist for an ETF. Trading in an ETF may be halted if the trading in one or more of the

ETF's underlying securities is halted. ETFs may trade at a premium or discount to their net asset value.

- Fund of Funds Risk: The Fund is a “fund of funds.” The term “fund of funds” is typically used to describe investment companies, such as the Fund, whose principal investment strategy involves investing in other investment companies (funds). A fund of funds will be subject to substantially the same risks as those associated with the direct ownership of the securities comprising the portfolio of such investment companies, and the value of the Fund's investment will fluctuate in response to the performance of such portfolio. Shareholders in the Fund will indirectly bear fees and expenses charged by the ETFs in which the Fund invests in addition to the Fund's direct fees and expenses. Although the Adviser will evaluate regularly each ETF in which the Fund invests to determine whether its investment program is consistent with the Fund's investment objective, the Adviser will not have any control over the investments made by an ETF, and will not have the ability to control or otherwise influence the composition of the investment portfolio of an ETF. The investment adviser to each ETF may change aspects of its investment strategies at any time.
- General Market Risk: The value of the Fund's shares will fluctuate based on the performance of the Fund's investments and other factors affecting the securities markets generally. Securities markets are volatile and may decline significantly in response to adverse issuer, regulatory, political, or economic developments. Different sectors of the market and different security types may react differently to such developments. Political, geopolitical, natural and other events, including war, terrorism, trade disputes, government shutdowns, market closures, natural and environmental disasters, epidemics, pandemics and other public health crises and related events have led, and in the future may lead, to economic uncertainty, decreased economic activity, increased market volatility and other disruptive effects on U.S. and global economies and markets. Such events may have significant adverse direct or indirect effects on a Fund and its investments. In addition, economies and financial markets throughout the world are becoming increasingly interconnected, which increases the likelihood that events or conditions in one country or region will adversely impact markets or issuers in other countries or regions. An outbreak of an infectious respiratory illness caused by a novel coronavirus known as COVID-19 has negatively affected the worldwide economy, as well as the economies of individual countries, the financial health of individual companies and the market in general in significant and unforeseen ways. Financial markets have experienced extreme volatility and severe losses, and trading in many instruments has been disrupted. Liquidity for many instruments has been greatly reduced for periods of time. Some interest rates are very low and in some cases yields are negative. Some sectors of the economy and individual issuers have experienced particularly large losses. The future impact of COVID-19 is currently unknown, and it



may exacerbate other risks that apply to the Fund. Any such impact could adversely affect the Fund's performance, the performance of the securities in which the Fund invests and may lead to losses on investments in the Fund.

- Large capitalization risk: Larger, more established companies may be unable to respond quickly to new competitive challenges such as changes in technology and consumer tastes. Larger companies also may not be able to attain the high growth rates of successful smaller companies.
- Leverage Risk: Some transactions may give rise to a form of economic leverage and may expose the Fund to greater risk and increase its costs. The use of leverage may cause the Fund to liquidate portfolio positions when it may not be advantageous to do so to satisfy its obligations or to meet any required asset segregation requirements. Increases and decreases in the value of the Fund's portfolio may be magnified when the Fund uses leverage. Use of leverage can produce volatility and increase the risk that the Fund may lose more than it has invested.
- Liquidity Risk: The Fund's investments may not be readily sold at the desired time or price, and may be sold at a lower price or may not have a sufficient market to be sold at all. An inability to sell securities can adversely affect the value of the Fund, may prevent the Fund from taking advantage of other investment opportunities, or may prevent the Fund from meeting redemption requests.
- Management Risk: The Adviser's investment strategies for the Fund may not result in an increase in the value of your investment or in overall performance equal to other investments, and your investment may lose value.
- Newer Fund Risk: As of the date of this Prospectus, the Fund has a limited operating history and may not attract sufficient assets to achieve or maximize investment and operational efficiencies.
- Non-Diversified Fund Risk: Because the Fund is non-diversified, it will invest a greater percentage of its assets in the securities of a single issuer. As a result, a decline in the value of an investment in a single issuer could cause the Fund's overall value to decline to a greater degree than if the Fund held a more diversified portfolio.
- Put Options Risk: (*non-principal risk*) Ownership of options involves the payment of premiums, which may adversely affect the Fund's performance. As the buyer of a put option, the Fund risks losing the premium invested in the option if the underlying reference instrument does not fall below the strike price, which means the option will expire worthless.

- Tax Risk: The Fund's investments in options may subject the Fund to special tax rules, the effect of which may be to accelerate income to the Fund, defer losses to the Fund, cause adjustments in the holding periods of the Fund's securities, convert long-term capital gains into short-term capital gains or convert short-term capital losses into long-term capital losses.
- Valuation Risk: The lack of an active trading market may make it difficult to obtain an accurate price for a security held or option written by the Fund. If market conditions make it difficult to value securities or options, the Fund may value these securities or options using more subjective methods, such as fair value pricing. In such cases, the value determined for a security or option could be different than the value realized upon such security's or option's sale. As a result, an investor could pay more than the market value when buying Fund shares or receive less than the market value when selling Fund shares.

Separately Managed Account (SMA):

Investment strategies are tailored for each client and may include an options strategy whereby the Firm may buy or sell (write) both call options and put options related to an underlying equity portfolio or position.

Investing in securities involves risk of loss that clients should be prepared to bear. Material risks may include the following.

- Correlation Risk: The SMA's investment strategy of buying or selling (writing) call options will result in performance that differs from that of the underlying equity portfolio. Any call options written by the SMA will limit the SMA's opportunity to participate in increases when the underlying equity portfolio performs well. Further, the SMA incurs operating expenses and portfolio transaction costs not incurred by the underlying equity portfolio.
- Call Option Risks: Buying options involves the payment of premiums, which may adversely affect the SMA's performance. Writing call options limits the SMA's ability to participate in price increases of the underlying securities. For the duration of the option written, the SMA will restrict the opportunity to profit from increases in the market value of underlying equity securities. The premiums received from the options may not be sufficient to offset any losses sustained from the decline in value of the underlying stocks over time. Exchanges may suspend the trading of options in volatile markets. If trading is suspended, the SMA may be unable to write options at times that may be desirable or advantageous to the SMA to do so.

- Cybersecurity Risk: With the increased use of technologies such as the Internet to conduct business, the SMA is susceptible to operational, information security, and related risks. In general, cyber incidents can result from deliberate attacks or unintentional events. Cyber attacks include, but are not limited to, gaining unauthorized access to digital systems (e.g., through “hacking” or malicious software coding) for purposes of misappropriating assets or sensitive information, corrupting data, or causing operational disruption. Cyber attacks may also be carried out in a manner that does not require gaining unauthorized access, such as causing denial-of-service attacks on websites (i.e., efforts to make network services unavailable to intended users). Cyber incidents affecting the SMA or its service providers may cause disruptions and impact business operations, potentially resulting in financial losses, impediments to trading, violations of applicable privacy and other laws, regulatory fines, penalties, reputational damage, reimbursement or other compensation costs, or additional compliance costs. Similar adverse consequences could result from cyber incidents affecting issuers of securities in which the SMA invests, counterparties with which the SMA engages in transactions, governmental and other regulatory authorities, exchange and other financial market operators, banks, brokers, dealers, insurance companies and other financial institutions (including financial intermediaries and service providers) and other parties. In addition, substantial costs may be incurred in order to prevent any cyber incidents in the future. While the SMA’s service providers have established business continuity plans in the event of, and risk management systems to prevent, such cyber incidents, there are inherent limitations in such plans and systems, including the possibility that certain risks have not been identified. Furthermore, the SMA cannot control the cybersecurity plans and systems put in place by its service providers or any other third parties whose operations may affect the SMA. As a result, the SMA and its owner could be negatively impacted.
  
- Derivatives Risk: The SMA may invest in options on indexes or equity securities. Options are instruments that derive their performance from underlying equity securities, also referred to as “derivatives.” Derivatives can be volatile, and the SMA could experience a loss if its derivatives do not perform as anticipated, or are not correlated with the performance of their underlying security or index, or if the SMA is unable to purchase or liquidate a position because of an illiquid secondary market. Changes in liquidity may result in significant, rapid, and unpredictable changes in the prices for derivatives.
  
- Equity Risk: The SMA may invest in: (1) ETFs that invest in equity securities; (2) options that derive their performance based on underlying equity securities; and (3) individual equity securities. Equity securities are susceptible to general stock market fluctuations and to volatile increases and decreases in value as market confidence in and perceptions of their issuers change.

- Exchange-Traded Funds Risk: The risks of investment in ETFs reflect the risks of the underlying instruments in which the ETF invests. When the SMA invests in ETFs, shareholders of the SMA indirectly bear the ETF's fees and expenses, as well as SMA fees and expenses. As a result, an investment by the SMA in an ETF could cause the SMA's operating expenses (taking into account indirect expenses such as the fees and expenses of the ETF) to be higher and, in turn, performance to be lower than if the SMA were to invest directly in the instruments held by the ETF. Shareholders may invest directly in an ETF, and thereby avoid duplicative fees. Trading on an exchange does not guarantee a liquid market will exist for an ETF. Trading in an ETF may be halted if the trading in one or more of the ETF's underlying securities is halted. ETFs may trade at a premium or discount to their net asset value.
- Fund of Funds Risk: The SMA may be considered a "fund of funds." The term "fund of funds" is typically used to describe investment companies whose principal investment strategy involves investing in other investment companies (funds). A fund of funds will be subject to substantially the same risks as those associated with the direct ownership of the securities comprising the portfolio of such investment companies, and the value of the SMA's investment will fluctuate in response to the performance of such portfolio. The SMA may indirectly bear fees and expenses charged by the ETFs in which the SMA invests in addition to the SMA's direct fees and expenses. Although the Adviser will evaluate regularly each ETF in which the SMA invests to determine whether its investment program is consistent with the SMA's investment objective, the Adviser will not have any control over the investments made by an ETF, and will not have the ability to control or otherwise influence the composition of the investment portfolio of an ETF. The investment adviser to each ETF may change aspects of its investment strategies at any time.
- General Market Risk: The value of the SMA will fluctuate based on the performance of the SMA's investments and other factors affecting the securities markets generally. Securities markets are volatile and may decline significantly in response to adverse issuer, regulatory, political, or economic developments. Different sectors of the market and different security types may react differently to such developments. Political, geopolitical, natural and other events, including war, terrorism, trade disputes, government shutdowns, market closures, natural and environmental disasters, epidemics, pandemics and other public health crises and related events have led, and in the future may lead, to economic uncertainty, decreased economic activity, increased market volatility and other disruptive effects on U.S. and global economies and markets. Such events may have significant adverse direct or indirect effects on a SMA and its investments. In addition, economies and financial markets throughout the world are becoming increasingly interconnected, which increases the likelihood that events or

conditions in one country or region will adversely impact markets or issuers in other countries or regions. An outbreak of an infectious respiratory illness caused by a novel coronavirus known as COVID-19 has negatively affected the worldwide economy, as well as the economies of individual countries, the financial health of individual companies and the market in general in significant and unforeseen ways. Financial markets have experienced extreme volatility and severe losses, and trading in many instruments has been disrupted. Liquidity for many instruments has been greatly reduced for periods of time. Some interest rates are very low and in some cases yields are negative. Some sectors of the economy and individual issuers have experienced particularly large losses. The future impact of COVID-19 is currently unknown, and it may exacerbate other risks that apply to the SMA. Any such impact could adversely affect the SMA's performance, the performance of the securities in which the SMA invests and may lead to losses on investments in the SMA.

- Large capitalization risk: Larger, more established companies may be unable to respond quickly to new competitive challenges such as changes in technology and consumer tastes. Larger companies also may not be able to attain the high growth rates of successful smaller companies.
- Leverage Risk: Some transactions may give rise to a form of economic leverage and may expose the SMA to greater risk and increase its costs. The use of leverage may cause the SMA to liquidate portfolio positions when it may not be advantageous to do so to satisfy its obligations or to meet any required asset segregation requirements. Increases and decreases in the value of the SMA's portfolio may be magnified when the SMA uses leverage. Use of leverage can produce volatility and increase the risk that the SMA may lose more than it has invested.
- Liquidity Risk: The SMA's investments may not be readily sold at the desired time or price, and may be sold at a lower price or may not have a sufficient market to be sold at all. An inability to sell securities can adversely affect the value of the SMA, may prevent the SMA from taking advantage of other investment opportunities, or may prevent the SMA from meeting redemption requests.
- Management Risk: The Adviser's investment strategies for the SMA may not result in an increase in the value of your investment or in overall performance equal to other investments, and your investment may lose value.
- Non-Diversified Risk: Because the SMA may be non-diversified, it may invest a significant percentage of its assets in the securities of a single issuer. As a result, a decline in the value of an investment in a single issuer could cause the SMA's overall value to decline to a greater degree than if the SMA held a more diversified portfolio.

- Put Options Risk: Buying options involves the payment of premiums, which may adversely affect the SMA's performance. As the buyer of a put option, the SMA risks losing the premium invested in the option if the underlying reference instrument does not fall below the strike price, which means the option will expire worthless.
- Small capitalization risk: Securities of small capitalization issuers may underperform other segments of the equity market or the equity market as a whole. Because smaller companies may have inexperienced management and limited operating history, product lines, market diversification and financial resources, the securities of these companies may be more speculative, volatile and less liquid than securities of larger companies, and they can be particularly sensitive to expected changes in interest rates, borrowing costs and earnings or other adverse developments.
- Tax Risk: Investments in options may subject securities to special tax rules, the effect of which may be to accelerate income to the SMA, defer losses to the SMA, cause adjustments in the holding periods of the SMA's securities, convert long-term capital gains into short-term capital gains or convert short-term capital losses into long-term capital losses.

#### **Item 9 – Disciplinary Information**

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Teramo has no information to report with respect to this item.

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

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Ronald A. Santella is Teramo's sole management person who is a registered representative of Quasar Distributors, LLC ("Quasar"). Quasar is not affiliated with Teramo or any of its affiliates.

#### **Item 11 – Code of Ethics, Participation/Interest in Client Transactions & Personal Trading**

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Teramo has adopted a Code of Ethics pursuant to SEC Rule 204A-1 that governs, among other things, employee conduct related to conflicts of interest and personal securities transactions.

Employees must avoid establishing financial interests or outside affiliations which may create a conflict, or appear to create a conflict, between their own personal interests and the interests of the Firm or its clients.

Teramo also maintains a Restricted List, which contains the names of securities which are determined to be at risk for potential conflicts of interest as well as guidance on the prohibition or restriction on personal trading. Additionally, employees may not buy or sell shares of mutual funds advised by the Firm for any account in which he or she has any direct or indirect beneficial ownership, unless such person obtains, in advance of the transaction, written approval for that transaction.

A copy of Teramo's Code of Ethics is available to clients or prospective clients upon request.

## **Item 12 – Brokerage Practices**

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Teramo's best execution policy seeks transacting in the best markets (or with the best market maker) and includes an assessment of factors including speed of execution, price improvement, size improvement, commissions, quality of service, expertise, financial condition and skill.

### Soft Dollars:

It is the Firm's policy to not enter into any soft dollar arrangements with its broker-dealers, and the Firm does not intend to do so as a matter of practice.

### Brokerage for Client Referrals:

It is the Firm's policy to not consider, as a factor in selecting or recommending broker-dealers, whether or not the Firm or a related person receives client referrals from a brokerage relationship. The receipt of client referrals may create an incentive to select or recommend a broker-dealer based on the Firm's interest in receiving client referrals instead of receiving best execution for clients. Teramo is sensitive to this potential conflict of interest and, where necessary, addresses such conflict by disclosure, client consent, prohibition or other appropriate action.

### Teramo-Directed Brokerage:

It is the Firm's policy to not direct brokerage for its clients as a form of compensation for the brokers' efforts to either promote advisory services provided by the Firm or sell the Funds, pursuant to Rule 12b-1(h) of the Investment Company Act of 1940.

### Client-Directed Brokerage:

Clients may direct Teramo to use particular a broker-dealer for executing transactions in their accounts. In such cases, Teramo may be unable to negotiate commissions, aggregate orders or otherwise achieve the benefits described above, including best execution. Directed brokerage commission rates may be higher or lower than the rates Teramo may pay for transactions in accounts that are not client-directed. Teramo reserves the right to decline acceptance of any

client account that directs the use of a broker-dealer if Teramo believes that the broker-dealer would adversely affect Teramo's fiduciary duty to the client and/or ability to effectively service the client. Clients shall represent that the custodian is a "qualified custodian" as the term is defined by Advisers Act Rule 206(4)-2.

#### Trade Aggregation and Allocation:

Teramo anticipates that each Fund client will invest in specific securities and options linked to those securities, which will be unique to each Fund client. As a result, the Firm does not anticipate being in a position to aggregate securities orders across multiple Fund clients. For client accounts where securities of the same issuer could be traded in more than one client account, and where Teramo determines that aggregating such trades would contribute to best execution and be beneficial to clients, Teramo adheres to the aggregation and allocation procedures that promote equitable treatment of clients while seeking best execution.

### **Item 13 – Review of Accounts**

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Client accounts are continuously monitored to reasonably ensure that positions reflect investment objectives, parameters and restrictions. Teramo's management, including the Chief Investment Officer and Chief Operating Officer, reviews client account performance, composition, pricing and trading activity on a daily basis. Additional account review includes scenario analysis, liquidity monitoring and regulatory monitoring.

Fund clients receive a semi-annual report and annual report, in addition to fact sheets that are produced on monthly basis and made available online. SMA clients generally receive account statements on a monthly basis from their custodian.

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

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Teramo does not receive an economic benefit from anyone who is not a client as part of Teramo providing investment advice or other advisory services to its clients. Additionally, Teramo does not directly or indirectly compensate any person who is not a supervised person for client referrals.

### **Item 15 – Custody**

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Teramo is also deemed to have custody of client assets where its advisory fees are deducted directly from clients' accounts. In those circumstances, the client has provided standing



instructions for the fee deduction, and the client will receive written statements no less than quarterly from the broker-dealer/custodian which show all disbursements, including the amount of Teramo's advisory fee. Teramo encourages clients to carefully review their account statements for any inaccuracies. Any discrepancies should be immediately brought to Teramo's attention.

#### **Item 16 – Investment Discretion**

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Teramo typically has discretionary authority to manage securities accounts on behalf of clients as set forth in the advisory agreement with each client. Any limitations or restrictions on this authority may be included, in writing, as part of the advisory agreement. Prior to exercising discretionary authority of client accounts, Teramo ensures the execution of the advisory agreement as well as a review any operational or regulatory considerations.

#### **Item 17 – Voting Client Securities**

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Teramo has the responsibility to monitor for and vote proxies for portfolio securities held within client accounts for clients who request that service. SMA clients may choose to retain proxy voting responsibility and receive proxies from their custodian. For Fund clients, Teramo's proxy voting policy requires the Firm to mirror vote any proxies received for its ETF holdings. Teramo will vote in proportion with the votes submitted by all other shareholders in the underlying ETF securities.

Teramo seeks to vote proxies in the best interest of clients. The Firm's policy is to avoid situations where there is a conflict of interest or a perceived conflict of interest. Teramo's general policy is to vote on all matters presented to security holders, but Teramo retains the right to abstain on any particular vote or otherwise withhold its vote on any matter if, in Teramo's judgement, the costs associated with voting a particular proxy outweigh the benefits to clients or if the circumstances make such an abstention or withholding otherwise advisable and in the best interest of the client.

While the guidelines included in the procedures are intended to provide a benchmark for voting standards, each vote is ultimately cast on a case-by-case basis, taking into consideration Teramo's contractual client obligations and all other relevant facts and circumstances at the time of the vote.

#### **Item 18 – Financial Information**

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Teramo is not required to provide a balance sheet for the most recent fiscal year because it does not require or solicit prepayment of more than \$1,200 in fees per client, six months or more in advance. There are no known financial conditions that would impair Teramo's ability to meet contractual commitments to clients. Teramo has not been the subject of a bankruptcy petition.