

## Part 2A of Form ADV: Firm Brochure

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### Item 1 / Cover Page

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March 24, 2021

### **Nantucket Multi Managers, LLC**

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This brochure provides information about the qualifications and business practices of Nantucket Multi Managers, LLC (the "Adviser" or "We"). If you have any questions about the content of this brochure, please contact Libby Greenstone, Chief Compliance Officer, at 248-723-9286 or [libby@nantucketfunds.com](mailto:libby@nantucketfunds.com).

Nantucket Multi Managers, LLC is an SEC-registered investment adviser. The Adviser's registration with the Securities and Exchange Commission became effective January 2, 2004. Registration with the Securities and Exchange Commission as an investment adviser does not imply any level of skill or training. Nantucket Multi Managers, LLC is exempt from registration with the Commodity Futures Trading Commission as a Commodity Pool Operator pursuant to CFTC no-action relief issued in 2012 and CFTC Rule 4.13(A)(3).

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.

Interests or shares (as applicable) in Nantucket's fund-of-funds (the "Funds" or each a "Fund") are sold only on the basis of delivery of the relevant Confidential Private Placement Memorandum ("COM"). Each Fund is unique in its own terms and conditions as fully detailed in such Confidential Private Placement Memorandum. This brochure should not be relied upon as sufficient and complete when evaluating an investment in any of the Adviser's Funds. A prospective investor must independently assess the suitability of a Fund investment and in doing so, should seek advice from their own advisors and should carefully and fully read the relevant Confidential Private Placement Memorandum, especially the "Risk Factors" section before making a decision to invest in any Fund.

Additional information about Nantucket Multi Managers, LLC also is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

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## Item 2 / Material Changes

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This document should be reviewed in its entirety. Please contact Libby Greenstone at libby@nantuckETFunds.com or at 248.723.9286 should you have any questions.

**Please note the below change material to Nantucket Institutional Fund (Cayman) SPC investors:**

Don Seymour of Waystone (formerly DMS Governance Ltd.) resigned as a Director of Nantucket Institutional Fund (Cayman) SPC and was replaced by Paras Malde of Waystone effective March 12, 2021.

Waystone has been actively expanding and completed several strategic acquisitions in 2020. Due to this growth, Mr. Seymour's responsibilities as Executive Chairman of the Board have increased, and upon an assessment of his workload, he has decided to focus on that role full time.

Paras Malde serves as an independent director with Waystone (Suite 5B201, 2nd Floor, One Nexus Way, Camana Bay, PO Box 2587, Grand Cayman KY1-1103, Cayman Islands) and oversees fund governance for a portfolio of asset management clients with a wide range of structures and investment strategies.

Prior to joining Waystone, Mr. Malde was an auditor and advisor at Ernst & Young's Financial Services offices in New York and Grand Cayman. He led multiple teams of professionals in executing audits of hedge funds ranging from start-ups to multibillion-dollar funds with strategies including long/short equity, multi-strategy, quantitative, fixed income, fund of hedge funds and private equity.

As an advisor in the Performance Improvement practice of Ernst & Young, Mr. Malde evaluated the operational impact from financial regulations such as Form PF, FATCA and AIFMD at leading asset managers and banks and formulated solutions to create operational efficiencies for routine reporting. He has assisted clients in attaining and maintaining a regulatory compliant state by developing a roadmap from design through implementation.

Mr. Malde is a Certified Public Accountant (CPA) in the United States and holds a Bachelor of Science degree in Accounting from Pennsylvania State University. He is a Registered Director with the Cayman Islands Monetary Authority.

Mr. Malde is a committee member of the Hedge Funds Care foundation. He is also a member of the Cayman Islands Directors Association, the Cayman Islands Institute of Professional Accountants and the American Institute of Certified Public Accountants.

***Below is a recap of changes that occurred during 2020, which we do not deem to be material to an investor or prospective investor.***

*Effective June 30, 2020, Libby Greenstone redeemed her minority membership interest in Nantucket Holdings B, LLC post the below entity simplification, communicated in our February 7, 2020 ADV-2A update. Libby remains fully employed in her primary roles as Adviser's Chief Compliance Officer and Head of Investor Relations.*

*Effective June 30, 2020, Andrew Hopper (a previous employee of the Adviser) also redeemed his minority membership interest in Nantucket Holdings B, LLC.*

*Effective January 1, 2020, the Managing Member of Nantucket Multi Managers, LLC changed from Nantucket Valenti, LP to Nantucket Capital Management, LLC. The ownership structure of Nantucket companies has not changed; William Goldsmith remains the Manager and majority owner of Nantucket Capital Management, LLC as he was (through various structures) for Nantucket Valenti, LP which has been dissolved. There is no change in Nantucket Multi Managers' day-to-day management team, investment/operational due diligence team or Investment Committee. This change was made solely to simplify Adviser's entity structure now that Nantucket has wound down the prior strategic partner relationship that had been in place since January, 2003.*

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**Item 4 / Advisory Business**

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**Adviser's Business and Expertise:**

Nantucket Multi Managers, LLC provides investment management services to three privately-offered fund-of-funds (the Funds) which are exempt from registration as investment companies under the Investment Company Act of 1940, as amended, pursuant to Section 3(c)(1) and Section 3(c)(7).

**The following is the history of the Adviser:**

January 1, 2000 through December 31, 2000 - Nantucket Multi Managers, LLC and Metamora Multi Managers, LLC served as co-general partners of Nantucket Fund, LP

January 1, 2001 through present - Nantucket Multi Managers, LLC is the sole general partner/managing member/investment manager of the Funds.

**The following is Adviser's ownership structure for owners greater than 25%:**

- Nantucket Capital Management, LLC is Sole Member of Nantucket Multi Managers, LLC (the Adviser)
- Nantucket Holdings, B LLC is the Sole Member of Nantucket Capital Management, LLC
- William K. M. Goldsmith is the majority owner and Manager of Nantucket Holdings B, LLC

The following Funds are managed by the Adviser and operate within a master/feeder structure. Nantucket Fund, LP (the "Master Fund") invests directly with underlying managers (the "Sub-Managers"). Nantucket Institutional Fund (Cayman) SPC and Nantucket Levered, LLC (the "Feeder Funds") invest substantially all their assets in the Master Fund.

- Nantucket Fund, LP (*the domestic Master Fund*)
- Nantucket Institutional Fund (Cayman) SPC (*Offshore Feeder Fund that is a Cayman Islands segregated portfolio company*)
- Nantucket Levered, LLC (*Domestic 1-3x Levered Feeder Fund - leverage varies over time*)

The Adviser's total estimated assets under management in the Funds as of 02/28/2021 were \$338 million. (This represents the combined estimated NAV of the Master Fund and its two Feeder Funds).

Hedge fund investing is the Adviser's primary area of expertise. The Adviser provides investment advice to the Funds relative to investing in other private investment funds, such as other privately offered limited partnerships and limited liability companies also referred to throughout this brochure as Sub-Funds or Sub-Managers. These Sub-Managers invest in a variety of public securities, and depending upon the Sub-Manager, include certain private investments.

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## Item 5 / Fees and Compensation

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Representative fees charged to investors in the Funds are as follows, however, an investor must refer to the relevant Confidential Private Placement Memorandum for specific details and applicability:

### **Management Fees (charged monthly in arrears):**

Nantucket Fund, LP = 1.5% per annum of net asset value ("NAV")

Nantucket Levered, LLC = 1.5% per annum of NAV

Nantucket Fund, LP and Nantucket Levered, LLC – Management fees are negotiated in certain circumstances at the sole discretion of the Adviser based on various criteria such as size or date of the investment. Management fees and incentive allocations are waived for the Adviser's own investment in these Funds, as well as for employees, employee immediate family members and access persons.

Nantucket Institutional Fund (Cayman) SPC = 1.0% per annum of NAV

Nantucket Institutional Fund (Cayman) SPC - Investors in the same share class for this Fund are charged the same fees. Different share classes carry different fees. Class E shares (which charge no management fee or incentive allocation) are available solely to employees, employee immediate family members and access persons. Class F/FR are closed to new investors.

**Incentive Allocation: When earned, accrued monthly in arrears but not crystallized or payable until each calendar year-end (or intra-year for investor withdrawals made intra-year).**

### Summary

10% incentive allocation | 6% or 10% preferred return | full GP catch up | standard high-water mark | annual (calendar year) crystallization of incentive allocation

### Detail

Capital invested prior to January 1, 2006 was not subject to an incentive allocation. On January 1, 2006, an incentive allocation (also referred to as a performance fee) was established for each fund managed by Nantucket Multi Managers, LLC. as the General Partner, Managing Member or Investment Manager of the applicable fund (collectively referred to as the "GP" unless otherwise specified).

For capital invested January 1, 2006 through December 31, 2018: 10% incentive allocation subject to a 10% preferred return with a full GP catch up.

For capital invested on or after January 1, 2019: 10% incentive allocation subject to a 6% preferred return with a full GP catch up.

All incentive allocations are subject to a standard high-water mark, which is determined at the investor capital account level at the end of each calendar year.

A preferred return (or hurdle rate) is the annual rate of return that must be achieved before any incentive allocation may be allocated to the GP. If the preferred return is not achieved in a calendar year, there is no incentive allocation earned by the GP. A preferred return with full GP catch up means once the preferred return is achieved (with the net profits being allocated to an investor's capital account), net profits are then fully allocated to the GP up to 10% of total net profits but without reducing total net profits below the applicable preferred return. If additional net profits remain after the preferred return and full GP catch up allocation calculations, then such net profits are shared 90% to an investor's capital account and 10% to the GP.

Net profits are understood to be the sum of gains and losses from portfolio investments net of any fund-level operating or investment-related expenses and management fees, but gross of any incentive allocation. The incentive allocation is applied to total net profits using a waterfall methodology, summarized as follows:

- 1 Preferred Return: 100% of the net profits allocated to an investor's capital account up to the applicable preferred return (6% or 10%)
- 2 Full GP Catch Up: 100% of the total net profits (*exceeding item 1*) allocated to the GP with a max allocation of 10% of the total net profits (*without reducing item 1*)
- 3 90% / 10% Split: 90% of the total net profits (*exceeding items 1 and 2*) allocated to an investor's capital account and 10% allocated to the GP.

Please refer to Item 6 for examples of the above incentive allocation scenarios.

Incentive allocations accrue monthly and crystallize (or are paid to the GP) annually at the end of a calendar year (from January 1 through December 31) or upon a partial or full redemption by an investor's capital account. Partial year investor account activity is adjusted for the partial time period on a pro-rata basis for purposes of calculating any incentive allocation.

Please refer to full details in each fund's relevant Confidential Private Placement Memorandum.

No incentive allocation is charged to the Adviser, its employees, employee immediate family members or access persons for their investment(s) in any Fund.

**General:**

Management fees and incentive allocation charged by the Adviser are calculated by the Funds' independent administrator and are itemized on investor monthly statements. All fees (including management fees and any incentive allocation accrued/payable) are deducted from investor's capital account (in arrears) and are not billed separately.

Fund investors will be subject to two levels of fees and allocable expenses 1) management fees and incentive allocation payable to the Adviser and the Funds' operating expenses and 2) fees, incentive allocations and expenses of Sub-Managers / Sub-Funds in which the Master Fund invests.

Investors will incur certain fees and expenses whether or not any profits are generated by the Funds.

**Representative Fund operating expenses:**

Include, but are not limited to direct operating costs and expenses, including administrative, legal, accounting, auditing, record-keeping, tax form preparation, compliance, information technology and consulting costs and expenses (including costs and expenses associated with obtaining systems and other information designed to facilitate Fund accounting, portfolio management, record-keeping and cyber-security, including related hardware and software); fees, costs and expenses of third-party service providers that provide such services (including fees, costs and expenses of attorneys retained by the General Partner to represent the General Partner in connection with the business and affairs of the Fund, to the extent such fees, costs and expenses relate to advice provided to the General Partner by such attorneys with respect to such business and affairs); insurance costs and expenses (including premiums for cyber-security insurance and liability insurance covering the Fund and other persons); and bank service fees; fees and taxes imposed by any federal, state, local or foreign government, governmental agency or regulatory body or self-regulatory organization, including licensing, filing, registration and exemption fees and withholding, transfer and franchise taxes; the Fund's indemnification obligations under the applicable Limited Partnership Agreement or Limited Liability Company Agreement; and extraordinary costs and expenses, if any.

**FOR COMPLETE DETAILS of fees, incentive allocation and expenses borne by the Funds, please refer to the relevant Fund Confidential Private Placement Memorandum and Fund audited financials.**

The Adviser or its employees receive no fees or compensation of any kind, directly or indirectly, from any Sub-Manager with whom the Master Fund invests.

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**Item 6 / Performance-Based Fees and Side-By-Side Management**

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As mentioned in "Fees and Compensation" Item 5, the Funds pay the Adviser performance-based compensation also referred to as an incentive allocation.

Incentive allocation to the Adviser when earned is 10% of net new profits in a calendar year and will be reduced to the extent the incentive allocation would reduce an investor's net return below a 10% preferred return in a calendar year (or 6% preferred return in a calendar year for capital invested on or after January 1, 2019). The applicable preferred return will be prorated for intra-year contributions and withdrawals. Any incentive allocation is subject to a high water mark in perpetuity of the investment.

Incentive allocation is based on both realized and unrealized profits and is determined after deducting all other fees and operating expenses of each Fund (including the management fee). Refer to relevant Confidential Private Placement Memorandum for complete details regarding incentive allocation.

**Examples of Incentive Allocation Above High Water Mark:**

A full calendar year investor with a 15% return (*net of annual management fee and other expenses but gross of any incentive allocation*) will ultimately result in a 13.5% net return to the investor (after incentive allocation), as 1.5% [ $10\% \text{ incentive allocation} * 15\% \text{ return}$ ] is earned incentive by the Adviser.

A full calendar year investor with a 20% return (*net of annual management fee and other expenses but gross of any incentive allocation*) will ultimately result in a 18% net return to the investor (after incentive allocation), as 2% [ $10\% \text{ incentive allocation} * 20\% \text{ return}$ ] is earned incentive by the Adviser.

**If a 10% preferred return:**

A full calendar year investor with a 10.5% return (*net of annual management fee and other expenses but gross of any incentive allocation*) will ultimately result in a 10% net return to the investor (after incentive allocation), as 0.5% is earned incentive by the Adviser rather than the full incentive of 1.05% [ $10\% \text{ incentive allocation} * 10.5\% \text{ return}$ ] as it would reduce the investor's net return below the 10% preferred return [ $10.50\% - 1.05\% = 9.45\% \text{ net return}$ ].

A full calendar year investor with a 9.9% return (*net of annual management fee and other expenses but gross of any incentive allocation*) will ultimately result in a 9.9% net return to the investor as no incentive allocation is earned by the Adviser given the return did not exceed the 10% preferred return.

**If a 6% preferred return:**

A full calendar year investor with a 6.5% return (*net of annual management fee and other expenses but gross of any incentive allocation*) will ultimately result in a 6% net return to the investor (after incentive allocation), as 0.5% is earned incentive by the Adviser rather than the full incentive of 0.65% [ $10\% \text{ incentive allocation} * 6.5\% \text{ return}$ ] as it would reduce the investor's net return below the 6% preferred return [ $6.50\% - 0.65\% = 5.85\% \text{ net return}$ ].

A full calendar year investor with a 5.9% return (*net of annual management fee and other expenses but gross of any incentive allocation*) will ultimately result in a 5.9% net return to the investor as no incentive allocation is earned by the Adviser given the return did not exceed the 6% preferred return.

**Example of Incentive Allocation Below High Water Mark:**

A full calendar year investor contributed \$1,000,000 on January 1<sup>st</sup> and the investment suffered a -10% net return for the calendar year, thereby reducing the investor's capital account to \$900,000 (*net of all fees and expenses*) as of December 31<sup>st</sup>. Until such time the investor's capital account gets back to the initial \$1,000,000 (the high water mark) and subsequently earns profits above the high water mark **and** exceeding the investor's applicable preferred return in a subsequent calendar year, no incentive allocation would be accrued or earned by the Adviser.



The Funds' independent administrator is responsible for the calculation of management fees/incentive allocation, investor capital accounts, performance and net asset value. The Fund's administrator notifies investors that their monthly investor statements have been posted to the administrator's secure web portal.

The Adviser as of this writing manages no side-by-side accounts, however, reserves the right to do so.

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**Item 7 / Types of Clients**

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The Adviser clients (according to the SEC's definition of client) are the Funds (Nantucket Fund, LP, Nantucket Institutional Fund (Cayman) SPC and Nantucket Levered, LLC). The Adviser's clients are pooled investment vehicles (fund-of-funds) that are offered to certain qualified investors.

Investments in the Funds are offered exclusively to investors satisfying the applicable accreditation requirements according to certain SEC rules as detailed in the relevant Fund's COM. Specifically, investors must be both accredited investors AND qualified purchasers. Appendix A of each Fund's Subscription Agreement summarizes the definitions of accredited investors and qualified purchasers.

Investors in any of the Funds should have knowledge and experience in financial and business matters in order to determine that such an investment is suitable based on their objectives.

Typically, domestic taxable investors such as individuals, trusts and family LLCs invest in the Nantucket Fund, LP or in Nantucket Levered, LLC. Tax-exempt or tax-deferred investors such as IRAs, foundations, endowments and pension plans typically invest in Nantucket Institutional Fund (Cayman) SPC, which blocks UBTI (unrelated business taxable income).

The following are standard initial investment minimums and liquidity provisions in order to invest in Adviser's Funds:

**Minimum Initial Investment:**

Nantucket Fund, LP and Nantucket Institutional Fund (Cayman) SPC - \$1,000,000  
Nantucket Levered, LLC - \$500,000

*(Adviser has discretion over minimum initial investment requirement determined on a case-by-case basis)*

**Liquidity:**

All standard Fund redemption terms are quarterly (*end of each calendar quarter*) on 95-day prior written notification. The Adviser, in its sole discretion, has the right to waive certain withdrawal limitations for investors on a case-by-case basis. However, investor notification of less than 95-day notice will incur a 2% short-notification fee payable to the Master Fund (Nantucket Fund, LP), which Adviser cannot override.

While the Adviser has the ability to suspend withdrawals/redemptions under certain extraordinary circumstances, the Adviser has never suspended or limited investor withdrawals/redemptions of any Fund at any time. The "Withdrawals" section in the relevant COM should be reviewed in full before investing in any Fund.

Investor interests or shares (as applicable) in a Fund are sold only through delivery of the relevant COM to prospective investors. Each Fund is unique in its own terms and conditions as fully detailed in such COM.

This brochure should not be relied upon as sufficient and complete when evaluating an investment in a Fund. A prospective investor must independently assess the suitability of a Fund investment and in doing so, should seek advice from their own advisors and should carefully and fully read the relevant COM especially the "Risk Factors" section before making a decision to invest in any Fund.

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

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The Adviser conducts extensive due diligence when evaluating prospective Sub-Managers for investment by the Master Fund. Due diligence is performed by employees of the Adviser and/or its access persons and independent Consultant to the Investment Committee who have sophisticated analytical skills, strong people skills and knowledge of various investment strategies. Generally, an MBA, CFA or significant industry experience is necessary to adequately perform such due diligence.

Nantucket's Investment Committee considers both top-down, macroeconomic information and bottoms-up, Sub-Manager evaluation to meet the goal of maintaining a diversified hedge fund based fund-of-funds portfolio that offers superior risk adjusted returns with reduced volatility and reduced correlation to traditional equity and fixed income asset classes.

Nantucket's Investment Committee tends to tilt its portfolio decision making with a bias toward bottoms up Sub-Manger selection while seeking to maintain a diversified portfolio of Sub-Manager funds across investment strategies and investment acumen. While many factors are considered in selecting a Sub-Manager, Nantucket's Investment Committee invests only with Sub-Managers associated with investment professionals and processes that Nantucket believes demonstrate extraordinary talent in a respective area of investment expertise. While Nantucket's Investment Committee evaluates and considers the benefits of portfolio diversification in making investment decisions on behalf of the Master Fund, there are no pre-established, formal portfolio concentration or target allocation constraints; this allows for optimal flexibility to invest with Sub-Managers that meet Nantucket Investment Committee's high threshold for extraordinary talent. Nantucket's Investment Committee believes that its approach will minimize the potential to allocate to less than extraordinary Sub-Managers in order to meet formal portfolio concentration limits or allocation constraints. In addition, Nantucket's Investment Committee generally has a bias toward veteran managers. Nantucket's Investment Committee strives to allow the Master Fund to be the beneficiary of Sub-Manager experience and new Sub-Manager opportunities through lift outs and co-investments.

In seeking to maintain the benefits of a diversified portfolio, Nantucket's Investment Committee considers sub-strategy allocation ranges among five major hedge fund strategy buckets. As noted above, while there are no established formal allocation targets or constraints, Nantucket's Investment Committee considers and evaluates top down, macroeconomic information when making portfolio allocation decisions as it relates to the Sub-Manager and Sub-Manager fund capital allocation activity. The five-major hedge fund strategy buckets used to classify the Master Fund's Sub-Manager/Sub-Fund investments follow:

- Credit / Distressed
- Event Driven / Arbitrage
- Multi Strategy
- Long / Short Equity
- Global Macro

In establishing the appropriate level of portfolio diversification, Nantucket's Investment Committee considers economic and market factors based on internal and external research and reviews allocation weights to each of the five-major hedge fund strategy buckets as well as correlation considerations. The Investment Committee members use their deep experience, knowledge, networks, and Sub-Manager due diligence visits to help facilitate selection of the optimal Sub-Manager funds in the bottoms up selection process relative to each strategy bucket. Comprehensive portfolio analytics utilizing various time periods are conducted in addition to fundamental analytics. Nantucket Investment Committee's target number of Sub-Managers is 25-35 with a larger allocation weighting tilted toward the top 10 Sub-Manager funds in the portfolio (i.e. the top ten Sub-Manager fund allocations typically represent approximately 50 - 60% of the Funds' net assets).

Manager due diligence and research is carried out generally by Messrs. William K.M. Goldsmith and Eric M. Strzempek. While Mr. Strzempek is involved in all aspects of due diligence, he serves as the head of operational due diligence responsible for all operational due diligence matters. From time to time other

Nantucket Investment Committee members are involved in areas of due diligence, most commonly in sourcing prospective Sub-Managers and conducting reference checking. The due diligence team maintains a rigorous and lengthy due diligence process utilizing both quantitative and qualitative factors, on-site manager visits, conference calls (including video conferencing) with key professionals and service providers, and external references (among other factors) prior to presenting an investment opportunity to the Investment Committee. Nantucket's Investment Committee believes that thorough and quality reference checks of key professionals is of critical importance in the due diligence process. Nantucket seeks to conduct quality reference checks of investment professionals through self-sourced contacts who know the subjects well, identified through the due diligence team's investigatory work as well as utilizing the Investment Committee's deep and expansive network and experience in the hedge fund community.

Nantucket Investment Committee meetings generally take place monthly, or more or less frequently as necessary. Various agenda items are discussed by Nantucket Investment Committee members including any vote(s) to hire or terminate a Sub-Manager. Votes take place by the voting members of Nantucket's Investment Committee (William K. M. Goldsmith, Eric M. Strzempek, Edward M. Hunia, John D. Lowenberg, Sr.) with the goal of a unanimous vote. Mr. Strzempek's vote is solely based on operational due diligence and has full veto power based on his operational due diligence assessment. Minutes of the meetings are transcribed by Ms. Greenstone in her capacity as Chief Compliance Officer and distributed to all Nantucket Investment Committee members post meeting.

The following are Nantucket Investment Committee members:

- William K. M. Goldsmith – voting member
- Edward M. Hunia – voting member
- John D. Lowenberg, Sr. – voting member
- Eric M. Strzempek – voting member, operational due diligence vote with "veto" right
- Elizabeth A. Greenstone – observer

Given a unanimous vote is achieved, the appropriate subscription or redemption documentation is completed and submitted to the relevant Sub-Manager to execute the allocation followed by the capital wire transfer to the appropriate bank account.

Each Sub-Manager fund is subject to Nantucket Investment Committee's ongoing evaluation to assess the continued effectiveness of its investment style and performance contribution relative to its allocation size. Changes are made if a Sub-Manager no longer meets Nantucket Investment Committee's criteria.

The Adviser relies on information provided by the Sub-Managers and their professional service providers in good faith including but not limited to exposure reports, performance reports and audits. Certain information is verified by the Adviser or an independent third party, however, certain other information is unverified.

While the Adviser believes investment and non-investment risks are mitigated through a multi-strategy, multi-manager approach, there are still risks that need to be understood when considering an investment in the Funds. The "Risk Factors" section of the relevant COM should be reviewed thoroughly before investing. The risks include, but are not limited to, loss of capital, general investment and market risks, operational risks, custodial risks, information technology and cyber security risks, tax risks, strategy risks, manager risks, fund structure risks and limitations on withdrawals/liquidity, both at the Sub-Manager level and the Fund level. While the Adviser has the ability to suspend withdrawals/redemptions under certain extraordinary circumstances, the Adviser has never suspended or limited investor withdrawals/redemptions of any Fund at any time. Reference liquidity information found in Item 7 of this brochure and the Withdrawals section of the relevant COM.

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**Item 9 / Disciplinary Information**

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The Adviser has no legal or disciplinary events that are material to our advisory business or the integrity of our management.

There is one regulatory event from 2003 to disclose which is noted below:

Nantucket Multi Managers had an affiliated broker-dealer, Nantucket Securities Company, LLC (a member of FINRA and SIPC), during the time period from July 5, 2001 through December 31, 2007. *Nantucket Securities Company, LLC voluntarily withdrew its FINRA membership on December 31, 2007.*

During the period from June 6, 2003 through December 5, 2003, William K. M. Goldsmith's ownership in Nantucket Securities Company, LLC was temporarily suspended for six months barring him from membership or association in any capacity with any exchange member or member organization. This disciplinary action was imposed upon Mr. Goldsmith by the New York Stock Exchange as he was found to have engaged in an outside business activity ("OBA") without the prior written consent of his employer which was his involvement in the Metamora Fund, LP, the predecessor of the Nantucket Fund, LP. Mr. Goldsmith maintains that he notified his immediate supervisor of his OBA, received verbal consent and was told that written consent was in process, but according to NYSE findings that was not sufficient. No investors were harmed and no financial penalty was imposed on Mr. Goldsmith. He consented to this temporary disciplinary action without admitting or denying guilt and was re-affiliated with Nantucket Securities Company on December 6, 2003.

During the time of Mr. Goldsmith's temporary suspension from a member firm as described above, it is important to note that the Adviser's business of managing the Funds was not impacted.

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**Item 10 / Other Financial Industry and Affiliations**

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The Adviser has common ownership with the following affiliated entities:

**Nantucket Capital Management, LLC ("NCM")**

A previously SEC Registered Investment Adviser since February, 2000. SEC registration voluntarily withdrawn on 10/29/2018. (Nantucket Holdings B, LLC ("NHB") is the Sole Member of NCM. NCM performs administrative functions for other entities and is compensated for such services.

**Common ownership of Adviser and NCM through various entities is as follows:**

- William K. M. Goldsmith is majority equity owner of Adviser and all related entities

**Outside Directors of Nantucket Institutional Fund (Cayman) SPC:**

- Dr. David J. Brophy, Chairman (Professor, University of Michigan Ross School of Business)
- Paras Malde (Waystone) – *Reference Item 2 for additional information.*

Other investment related activities:

**William K. M. Goldsmith**

- Chairman of Investment Committee and Trustee, Member of Capital Markets Task Force and Finance Committee / Cranbrook School
- Member of Board of Directors, Trustee, Investment Committee Member / Beaumont Health
- Member of Investment Committee / William M. Davidson Trust Office
- Member of Investment Committee / Frankel Foundation
- Advisory Committee Member / Commonfund Capital, Inc
- Limited Partners' Advisory Committee Member / OVO Fund II and Draper Fisher Jurvetson Growth Fund III and IV.

Mr. Goldsmith is a Director of the Nantucket Institutional Fund (Cayman) SPC and therefore indirectly benefits from the success of the Adviser and Adviser's Client Funds.

Mr. Goldsmith is an investor in non-proprietary, unrelated investments with other investors (through a partnership or other such entity), some of whom are also investors in Adviser's Funds. From time to time investments are made with Sub-Managers of the Master Fund through these partnerships or other such entities. Additionally, Mr. Goldsmith personally invests from time to time with one or more Sub-Managers in which the Master Fund invests.

As summarized above, Mr. Goldsmith serves on the investment committees or advisory committees of certain unaffiliated institutions and high-net worth family entities some of whom invest from time to time with one or more Sub-Managers in which the Master Fund invests.

The risk tolerance and investment objectives of the above may be the same or may differ from those of the Adviser's Funds. Adviser takes reasonable steps so the non-proprietary investing entities or individuals noted above are not favored over Adviser's Funds.

**Edward M. Hunia**

- Consultant to certain high net worth families and/or their foundations
- Trustee and Member of Investment Committee / Beaumont Health

Edward M. Hunia is a part-time employee of Adviser and a Voting Member of Adviser's Investment Committee.

**John D. Lowenberg, Sr.**

- Principal of Anvil Management Company LLC
- Chair Emeritus Denison University Endowment Investment Committee
- Trustee and Chairman of Investment Committee Environmental Learning Center Foundation
- Advisory Member of Investment and Finance Committees St. Edwards School
- Advisory Board of New China Holdings I,II,III
- Advisory Board of Cathay Inv Fund (1992)
- Advisory Board of DAG Management LLC I

John D. Lowenberg, Sr. is an access person in his capacity as a Voting Member of Adviser's Investment Committee.

**N. Thomas Kirkpatrick**

Merritt Capital Investment Advisors/Tom Kirkpatrick - Serves as an independent consultant to Adviser's Investment Committee. (Merritt Capital is a SEC registered investment adviser).

**Note:**

Certain of the above individuals are compensated for one or more of the above investment related activities.

Any of the above investment related activities (and relevant compensation, if any) in Item 10 are subject to change without notice.

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

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The Adviser or its employees have no financial ownership or interest in any Sub-Manager invested with by the Master Fund nor do they receive any direct compensation from any such Sub-Manager. The Adviser or its employees do occasionally receive incidental gifts or occasionally participate in activities such as a dinner, sporting event or other such activity which is hosted either by Adviser or Sub-Manager.

Adviser has gifts and entertainment policies and procedures in place to help mitigate conflicts of interest.

The Adviser, its employees, access persons or any affiliated entity may or do provide administrative, investment or non-investment related advisory, consulting or management services (paid or unpaid) to unaffiliated individuals or entities such as foundations, endowments, pension or profit sharing plans, charitable organizations, corporations, private equity or venture funds or any other entity in which an Adviser's employee, access person, affiliate or a Fund investor participate.

The Adviser maintains a minimum investment in each of the domestic Funds, as required by the respective governing documents. Certain employees of the Adviser, their family related members or entities and access persons also invest in Adviser's Funds and/or invest directly with Sub-Managers of the Master Fund.

**Code of Ethics and Personal Trading:**

The Adviser maintains a detailed Code of Ethics. A copy of our Code of Ethics is available upon request; highlights are as follows:

- We strive to serve our investors with the highest level of personal and professional service and operate with the highest degree of integrity and standards of business conduct.
- Our goal is to preserve, protect and grow the assets of our investors.
- Investor information is privileged and confidential and is shared only as detailed in our Privacy Policy.
- We strive to fully educate our investors and/or their advisors so they can make the best possible decision regarding a Nantucket Fund investment.
- We are committed to help mitigate and disclose material conflicts of interest to investors and prospective investors.
- We strive for industry best practices and consistent performance reporting.
- We continuously educate employees with regard to compliance.
- In order to serve our client funds and investors, we must be profitable in order to attract and retain the best and brightest employees. We are a compassionate employer, treating all employees with integrity and respect with total commitment to fair employment.
- Gifts and entertainment policy is in place to avoid unethical or inappropriate conflicts of interest.
- The Adviser maintains a policy for "Personal Securities Transactions and Outside Business Activity". All employees/access persons must follow this policy which includes certain pre-clearance procedures.
- No material, non-public information can be communicated to others and no employee/access person shall knowingly buy or sell securities for any account where his/her decision is influenced by material non-public information.
- No employee/access person shall act upon or benefit from information available to them regarding any Nantucket business or entity to the detriment of any Nantucket entity or Fund investor.
- No employee/access person shall initiate/spread false rumors regarding a public security.
- Employees are prohibited from making political contributions, therefore, preventing any violation of the "Pay-to-Play" rules.
- The Adviser encourages all employees/access persons to report any violation of the Adviser's Code of Ethics to the CCO without negative impact to the reporting person.



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**Item 12 / Brokerage Practices**

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The Adviser has discretion to open brokerage accounts to accommodate investments in securities including but not limited to investments with a Sub-Manager via a publicly traded security or to accommodate securities distributions from a Sub-Fund/Sub-Manager on behalf of the Master Fund. Adviser will select a broker-dealer based on different criteria depending upon the nature of the investment, which is considered on a case-by-case basis.

The Adviser is not involved in any soft-dollar practices.

The Adviser does not make broker-dealer recommendations to the Sub-Managers with whom the Master Fund invests.

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**Item 13 / Review of Accounts**

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Adviser reviews the Funds (which are the Adviser's client accounts) as follows:

Investment Committee Members continuously review the Master Fund portfolio through various types of quantitative and qualitative analyses. Typically, the Adviser's Investment Committee formally meets monthly (more or less often on an exception basis as needed). Messrs. William K. M. Goldsmith and Eric M. Strzempek conduct the majority of manager due diligence on both existing and prospective Sub-Managers. Other Investment Committee Members conduct manager due diligence from time to time. The Investment Committee also receives additional input from its independent Consultant, Thomas Kirkpatrick/Merritt Capital who also conducts manager due diligence from time to time. Terminating or hiring any Sub-Manager requires a majority vote by the Investment Committee, however, the Investment Committee's goal is a unanimous vote.

**Adviser's Investment Committee Members are as follows:**

- William K. M. Goldsmith  
Head of Investment Due Diligence, Portfolio and Risk Management (Voting Member)
- Edward M. Hunia  
Macro Strategist (Voting Member)
- John D. Lowenberg, Sr  
Investment Committee Member (Voting Member)
- Eric M. Strzempek  
Head of Operational Due Diligence / Risk Analytics (Voting Member-solely relating to operational due diligence with full veto power).
- Libby (Elizabeth) A. Greenstone  
Chief Compliance Officer / Operational Due Diligence Support (Observer/ Non-Voting Member)

The Funds NAVs and capital accounts – Sub-Fund capital accounts are recorded and reviewed monthly by the Adviser's independent administrator, SS&C. The independent administrator generates monthly internal Fund performance reports for the Adviser which include (Sub-Fund) balances, market value, cost basis, gains/losses. Gina M. Maniaci, Adviser's CFO, provides certain monthly checks and oversight in addition to the independent administrator generated information.

PricewaterhouseCoopers conducts independent annual audits for all the Adviser's Funds.

Investor Capital Accounts - are calculated on a monthly basis by the Funds' independent administrator, which includes each investor's capital account balance, purchases or withdrawals, gains/losses and breakdown of all fees and period performance. Gina M. Maniaci provides certain monthly oversight in addition to the independent administrator. Monthly statements are generated by the independent administrator and posted to their web portal for investor retrieval. As a standard procedure, statements are revised by the independent administrator at each calendar quarter-end (*March, June, September and December*) once the Sub-Managers in Nantucket's private program report their quarterly performance *which is reported quarterly and on a lagging basis*.

Generally, investors in the Funds receive (or have access to) the following reports:

- Monthly from the Adviser:  
Period and YTD preliminary performance of the Funds and the Sub-Funds in which the Master Fund invests. This information is generally emailed on or about the 6th business day of the month.
- Monthly from the Administrator:  
Monthly investor statements which include capital invested/withdrawn, gains/losses, management fees, incentive allocation (if earned) period and YTD performance. Administrator notifies investors via email when statements are posted to their web portal. Adviser recommends an investor should review and compare their statements generated by the Administrator to their own records.
- Quarterly from the Administrator:  
Quarterly investor letter emailed (letter is authored by the Adviser)
- Semi-Annually from the Adviser:  
Conference call invitations and conference call material is emailed to semi-annual conference call participants.
- Annually from the Administrator:  
Tax estimates and K-1s are posted to the administrator's web portal (*for Nantucket Fund, LP and Nantucket Levered, LLC investors*). Administrator notifies investors via email when tax information is posted to their web portal.
- Annually (by June 30) from the Administrator:  
Audited financials (for the Fund in which an investor is invested) are emailed to investors.

In addition to the above, from time-to-time Adviser provides certain supplemental information about the Funds or the Sub-Funds to certain prospective investors, current investors or their designated representatives upon their request which may or may not be concurrently offered to others or is offered in a different format or venue such as a phone call or meeting. A prospective or current investor receiving such information may have a perceived advantage in determining whether to invest in or to redeem from the Funds. However, Adviser will not provide such supplemental information if Adviser determines it would have a material effect on other investors in the relevant fund. If an investor would like to receive supplemental information in addition to the above listed reports, please contact Adviser.

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

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**Referral / Solicitation Agreements:**

The Adviser pays referral or selling fees as negotiated between the Adviser and the referring or selling party. Referral or solicitation agreements are entered into by the Adviser and the referral / selling party which are generally trust companies, banks or broker-dealers. A disclosure letter compliant with relevant SEC rules is sent by the Adviser to the investor (when applicable) on or before the date of sale to be acknowledged and signed by the investor that a fee sharing arrangement is in place. Referral / selling fees paid to referral or selling party consist of a portion of the Adviser's management and/or incentive allocation earned, are not borne by any of Adviser's Funds, and in no way negatively impacts the Fund performance of the referred investor. However, additional fees, IF any, charged by a referring/soliciting party should be taken into consideration when deciding to make an investment in a Fund. (Such additional fees would generally not be disclosed to Nantucket Multi Managers, LLC).

**Unaffiliated Investment Adviser Referrals:**

The Adviser from time to time will reduce the management fee charged to an investor referred by an unaffiliated investment adviser (only applicable for Nantucket Fund, LP or Nantucket Levered, LLC investment) which is considered on a case-by-case basis. The reduced management fee is negotiated between the Adviser and unaffiliated referring investment adviser. The Adviser may also pay an unaffiliated referring investment adviser's affiliated broker-dealer a service fee for servicing such investor referrals. The unaffiliated referring investment adviser is likely to charge its client an additional fee which is generally not disclosed to Nantucket Multi Managers, LLC and should be taken into consideration (by such client) when making an investment in a Fund.

**Other Compensation:**

Incidental gifts or entertainment such as a meal, sporting event or other such activity occurs from time to time between the Adviser and a Sub-Manager of the Master Fund, investor, prospective investor or their representative. Such activities from time to time are hosted by either the Adviser, the investor, the prospective investor or their representative, or the Sub-Manager. Adviser maintains a gifts and entertainment policy to address and help mitigate conflicts of interest in this area.

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**Item 15 / Custody**

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The Adviser is deemed to have custody of client assets (cash and securities) in its discretionary capacity as the general partner, managing member or investment manager of the Funds.

There are certain safeguards the Adviser and the qualified custodians have in place for movement of capital. Details are available to investors upon request.

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**Item 16 / Investment Discretion**

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The Adviser has full discretionary authority to invest the Master Fund's capital in order to achieve the Funds' investment objectives. This broad investment authority is outlined in each Fund's COM.

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**Item 17 / Voting Client Securities**

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The Adviser has authority to vote on all matters with respect to the investments made by the Master Fund including proxy voting on individual securities held by the master fund, should it apply.

However, the Adviser has no authority to vote proxies with respect to the securities held in any of the Sub-Funds' portfolios. The Sub-Managers generally have the authority to vote proxies with respect to the securities held in their respective portfolios.

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**Item 18 / Financial Information**

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The Adviser has no financial commitment that impairs its ability to meet contractual and fiduciary obligations to its clients and has not been the subject of any bankruptcy proceeding.



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**Item 19 / Requirements for State-Registered Advisers**

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This section is not applicable to the Adviser.