

**BROCHURE OF**  
**ALTERNATIVE CAPITAL ADVISERS, LLC**

A Delaware Limited Liability Company registered with the Securities and Exchange  
Commission as an Investment Adviser (CRD #168745)

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**THIS BROCHURE (“BROCHURE”) PROVIDES INFORMATION ABOUT THE QUALIFICATIONS AND BUSINESS PRACTICES OF ALTERNATIVE CAPITAL ADVISERS, LLC. IF YOU HAVE ANY QUESTIONS ABOUT THE CONTENTS OF THIS BROCHURE, PLEASE CONTACT US AT 914-205-5823 OR [JC@ONEOAKCAPITALMGMT.COM](mailto:JC@ONEOAKCAPITALMGMT.COM).**

**THE INFORMATION IN THIS BROCHURE HAS NOT BEEN APPROVED OR VERIFIED BY THE U.S. SECURITIES AND EXCHANGE COMMISSION (“SEC”) OR ANY STATE SECURITIES AUTHORITY.**

**ADDITIONAL INFORMATION ABOUT ALTERNATIVE CAPITAL ADVISERS, LLC ALSO IS AVAILABLE ON THE SEC’S WEBSITE AT [WWW.ADVISERINFO.SEC.GOV](http://WWW.ADVISERINFO.SEC.GOV).**

The date of this Brochure is

**March 31, 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. This Brochure will supersede all other documents containing information about the Firm.

**Item 2.      Material Changes**

There were no material changes to report regarding the Firm's advisory business since its last filing dated July 2020.

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## Part 2A – FIRM BROCHURE

### Item 4. Advisory Business:

- (A) **Operational and Organizational Information:** Alternative Capital Advisers, LLC (“ACA” or the “Firm”), is a Delaware limited liability company that is registered as an investment adviser with the U.S. Securities and Exchange Commission (the “SEC”). The Firm was organized in August 2013. As of December 31, 2018, the Firm is principally owned by Christopher J. LaGrego (26.50%), Andrew J. Formato (37.935%), John McNiff (26.565%) and RivaRun (9.00%). Mr. LaGrego (CRD# 1995755) is also a registered representative of Weeden Prime Services (CRD #146103) and is a shareholder of Weeden & Co. (CRD #16835). Mr. Formato (CRD #2272875) is also a registered principal of Weeden & Co. (CRD #16835) as well as Weeden Prime Services (CRD #146103).
- (B) **Types of Advisory Services Offered:** ACA provides investment management services to its advisory clients, which are comprised of various pooled investment vehicles. ACA provides these services in accordance with the limited partnership agreement (or analogous organization document), private placement memorandum, subscription documents, investment management agreement or advisory agreement (each, an “Advisory Agreement”) applicable to the client.

The Firm provides investments management services to and has discretionary investment authority over the assets of ACA Master Select Fund, LP (the “Fund”), ACA Master Select Fund, SPC (mini-feeder) ACA Cayman Master Fund, SPC (the “Master Fund”) and its feeder funds ACA Master Select Fund QP, LP (the “Onshore Feeder”) and ACA Master Select Offshore Fund, SPC (the “Offshore Feeder”), each a commingled private investment fund (collectively referred to as the “Funds”). The Firm also provides investment management services to MedTech Venture Partners Fund, LP, a venture capital fund (the “MedTech Fund”). The Firm also delivers product and alternative solutions to other investment advisers as well as single and multifamily offices. The Firm provides investment advisory services by allocating Funds’ capital to one or more underlying funds and/or separately managed accounts (collectively, the “Underlying Funds”, and each, an “Underlying Fund”) that are managed by independent portfolio managers (collectively, the “Underlying Managers”, and each, an “Underlying Manager”) based on the investor’s specific investment goals and risk tolerance. Additionally, the Firm provides non-discretionary investment advice to One Oak Multi-Strategy Fund, LLC and the series thereof, One Oak Multi-Strategy (Offshore) Fund, Ltd. and

One Oak Multi-Strategy Master Fund, Ltd. (collectively, the “One Oak Funds”). The Firm provides ongoing advice regarding their evaluation and selection of alternative investments for the One Oak Funds, including identification and evaluation of early and mid-stage fund managers that may be appropriate sub-advisers to the One Oak Funds.

- (C) **Client Investment Guidelines and Parameters:** The Firm provides customized allocations of alternative fund investments to the Funds’ investors and therefore considers the individual needs of each investor. In particular, the Firm considers an investor’s size, investment mandate, interest in leverage, tax implications and investment history.

The Firm’s investment objective as to MedTech Fund is to acquire the Series BB equity securities issued by PQ Bypass, Inc. (“PQB”), which is a medical device company seeking to transform the treatment of long-segment femoropopliteal disease with minimally invasive endovascular solutions.

As of the date of this brochure, the Firm does not advise any separately managed accounts.

- (D) **Wrap Fee Programs:** The Firm does not participate in wrap fee programs.

- (E) **Client Assets Under Management:**

*Discretionary:* **\$33,436,587 as of December 31, 2020.**

*Non-discretionary:* **\$130,823,641 as of December 31, 2020.<sup>1</sup>**

## **Item 5. Fees and Compensation:**

- (A) The Funds are generally charged a management fee and performance fee. The amount and manner in which management fees are assessed by ACA are based on contractually specified percentages set forth in the Advisory Agreement. The management fee paid by each of the Funds varies between one and two percent (1.00%-2.00%) per annum of the net asset value of the Funds. Generally, management fees are negotiable and collected quarterly in advance. The Firm pays the Underlying Managers a portion of the management fee and performance fee charged by the Funds. Such fees will be discussed with each investor and/or fully disclosed in the relevant offering documents. The exact amount of fees paid by the Firm to the Underlying Managers will vary based on the

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<sup>1</sup> This amount represents the regulatory assets under management (gross asset value) of the One Oak Funds which may be deployed by the Firm in accordance with the Mutual Referral and Advisory Services Agreement.

arrangements negotiated with the Underlying Managers, however these fees will generally be between twenty-five and fifty percent (25.00%-50.00%) of the management fee, and up to fifty percent (50.00%) of the performance fee. In addition, ACA may negotiate lower investment minimums and different liquidity provisions than those typically imposed by Underlying Managers. Investors in the Funds are advised that this presents a potential conflict of interest in that ACA may be incentivized to select Underlying Managers that are willing to accept a smaller portion of the fee paid to ACA, lower investment minimums and better liquidity provisions. Investors in the Funds may pay higher fees than they would if they accessed an underlying fund manager directly.

MedTech Fund is not charged a management fee but is however subject to an incentive allocation of fifteen percent (15.00%), which is collected at the end of MedTech Fund's term, as described in more detail in Item 6 below.

- (B) **Payment of Fees:** Management fees are deducted from assets on a quarterly basis.
- (C) **Additional Fees and Expenses:** The Funds and MedTech Fund are responsible for any financing or brokerage-related expenses (such as custodial, brokerage, margin interest, negative rebates, exchange fees, market access or technology fees); administrative and operational expenses (such as fund administration, tax, audit, legal, insurance, cash management, regulatory, compliance, due diligence, monitoring, reporting, communications, risk management or software); and organizational expenses (including expenses related to the drafting of the offering documents and any directly or indirectly related structuring costs). Investors in the Funds incur all fees and expenses applicable to such Funds' investment in the Underlying Funds, including any fees paid for advisory, administration, distribution, accounting and other services. All fees and expenses of the Underlying Funds are generally in addition to the fees each Fund pays. Additionally, ACA may withhold between two and three percent (2.00%-3.00%) of an investor's investment in cash to pay each Fund's expenses, including but not limited to fees payable to the Firm.
- (D) **Fees Paid in Advance:** The Firm's management fee may be prepaid on the first day of each calendar quarter.
- (E) **Additional Compensation of Supervised Persons:**

Messrs, LaGrego and Formato may receive, directly or indirectly, commissions or other compensation in connection with the Firm's transactions. Specifically, certain Underlying Managers may, but

are not required, to utilize brokerage services provided by Weeden Prime Services, LLC. Investors are advised that this may present a conflict of interest whereby ACA may be incentivized to select Underlying Managers using the services of Weeden Prime Services, LLC. However, the Firm believes that any brokerage commissions paid to any related broker-dealers, including Weeden Prime Services, LLC, will be consistent with “best execution” practices.

- (i) The Firm endeavors to disclose herein all conflicts of interest which could impair the rendering of unbiased and objective advice. Lower fees for comparable services may be available from other sources.
- (ii) Clients have the option to purchase investment products which the Firm recommends through other brokers or agents that are not affiliated with the Firm and/or not used by the Firm. **N/A**
- (iii) If commissions provide more than fifty percent (50.00%) of Firm’s revenue or compensation, disclose: **N/A**
- (iv) The Firm does not reduce advisory fees to offset the commissions and/or markups received directly or indirectly by associated persons as referenced above.
- (v) As noted above, certain representatives of the Firm may be registered with a broker-dealer or affiliated with an insurance company. As such, these representatives may receive additional compensation.

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

As described in Item 5, ACA receives a performance-based fee from the Funds in addition to a management fee. The amount and manner in which the Funds’ performance fees are assessed by ACA are based on contractually specified percentages set forth in the Advisory Agreement. Generally, the performance fee paid by each Fund to ACA at the close of each fiscal year is twenty percent (20.00%) of each Fund’s annual new appreciation. All such arrangements conform to Section 205(a)(1) of the Advisers Act of 1940 (the “Advisers Act”) and the Employee Retirement Income Security Act (“ERISA”), as applicable. The Funds’ performance fees are generally payable at the end of each year or at the time of an investor’s withdrawal. The Firm pays the Underlying Managers a portion of the management fee and performance fee charged by each Fund. The right to receive performance-based compensation may create an incentive for the Firm or the Underlying Managers to cause a client to make investments that are riskier or more speculative than would be the case if the Firm or the Underlying Managers did not receive such compensation.

MedTech Fund is subject to an incentive allocation equal to fifteen percent (15.00%) of the net profits of MedTech Fund (the “Incentive Allocation”), which is allocated as follows: (i) ninety percent (90.00%) to the general partner of MedTech Fund, MedTech Venture Partners Manager, LLC (the “General Partner”), and (ii) ten percent (10.00%) to the Firm. Before the Incentive Allocation is allocated to the General Partner and the Firm, it is first subject to a distribution to the limited partners equal to an eight percent (8.00%) cumulative return on all of the limited partners’ aggregate capital contributions (the “Hurdle Distribution”), and then subject to a “catch-up” distribution to the General Partner equal to fifteen percent (15.00%) of the total Hurdle Distribution. The Incentive Allocation is paid at the end of MedTech Fund’s term.

To the extent the Firm does not charge performance-based compensation from one or more clients, such clients should be aware that the Firm has an incentive to favor other client accounts that are charged performance-based compensation (whether directly or through the Underlying Managers) if the Firm would receive compensation based on the returns of such performance compensation paying clients.

**Item 7. Types of Clients:**

The Firm provides investment advisory services to pooled investment vehicles. The suitability requirements for each Fund are set forth in the Advisory Agreements. Investors in the Funds advised by the Firm are required to meet certain suitability thresholds including being (i) a “qualified client” within the meaning of Rule 205-3 under the Advisers Act, as amended, (ii) an “accredited investor”, as defined in Regulation D under the Securities Act of 1933, and, where applicable, (iii) a “qualified purchaser” within the meaning of Sections 2(a)(51) and 3(c)(7) of the Investment Company Act of 1940, as amended, as stated in the offering materials. Moreover, all clients are required to meet general sophistication requirements. Investors in the pooled investment vehicles must meet a minimum initial investment requirement of five hundred thousand dollars (\$500,000.00) as set forth in the relevant offering materials. The general partner or director(s) of the Funds may accept lower initial investments in their sole discretion.

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

**(A) Methods of Analysis and Investment Strategies for the Funds:**

The Firm provides investment advisory services to its Fund clients by allocating Fund capital to one or more underlying funds and/or separately managed accounts (collectively, the “Underlying Funds”, and each, an “Underlying Fund”) that are managed by independent portfolio managers (collectively, the “Underlying Managers”, and



each, an “Underlying Manager”) based on an investor’s specific investment goals and risk tolerance. The Underlying Funds may invest in a wide variety of securities and other financial instruments and may utilize a diverse group of generic or specialized investment strategies and investment techniques. The Underlying Managers may pursue, among others, the following: long/short equity investing, fixed income investing, short sales, derivatives trading, real estate investment, commodities and futures trading, event-driven investing, arbitrage (including relative value arbitrage), spot currencies trading and macro trading strategies. The Underlying Managers may employ leverage in their strategies. Each Underlying Manager actively manages the assets allocated to it by the Firm, in accordance with the Underlying Fund’s offering documents. For the avoidance of doubt, the Firm does not invest the Funds’ assets directly in securities and/or other financial instruments and intends to only invest in Underlying Funds or maintain cash or cash equivalent investments.

The Firm’s Investment Committee continuously reviews a variety of alternative strategies and Underlying Managers. In general, the Firm targets Underlying Funds with assets under management of up to one billion dollars (\$1,000,000,000.00) but may also target Underlying Funds that have assets under management in excess of one billion dollars (\$1,000,000,000.00). The Investment Committee seeks Underlying Managers that they believe have extensive knowledge in managing hedge funds and generating positive risk-adjusted returns. In addition, Underlying Managers will generally be selected for their ability, in the Firm’s opinion, to earn returns that are largely uncorrelated to the broader markets and for successfully managing risk. Once an Underlying Manager and an Underlying Fund are selected for consideration, the Investment Committee conducts a thorough evaluation of each such Underlying Manager and Underlying Fund. The Investment Committee conducts the same evaluation when considering the investments for MedTech Fund.

This evaluation includes, but is not be limited to, the following aspects: firm infrastructure, fund structure and governance, operational infrastructure, trading and execution, risk management, valuation and pricing methodology, trade settlement, reporting, compliance, liquidity, regulatory and compliance procedures, background investigations, cash controls, counterparty risk, brokerage relationships, transparency and quality of third-party vendors (i.e., prime broker, legal counsel, administrator, auditor and custodian). The Firm periodically updates its evaluation procedures.

**(B) Methods of Analysis and Investment Strategies for the Non-Discretionary Funds:**

The Firm, on behalf of its non-discretionary clients, including the One Oak Funds, identifies and evaluates fund managers that may be appropriate for inclusion in the client's investment strategy; if the recommendation of a manager is accepted, arranges for and effects the establishment of the sub-advisory agreement or allocation to the manager; and advises such clients with respect to the investment organization and the structure of the Investment Company Act of 1940 (the "1940 Act") products utilizing the fund structures.

(C) **Risk of Loss:**

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

**Market Volatility; Availability of Investment Opportunities.** The profitability of the Firm substantially depends upon the Underlying Managers correctly assessing the future price movements of stocks, bonds, options on stocks, and other securities and assets and the movements of interest rates. The Firm cannot guarantee that the Underlying Managers will be successful in accurately predicting price and interest rate movements. In addition, there can be no guarantee that a sufficient number of profitable investment opportunities will be available to the Underlying Managers.

**The Firm's Investment Activities.** The Firm's 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 or the Underlying Managers. Such factors include a wide range of economic, political, technological, competitive and other conditions (including acts of terrorism or war) that may affect investments in general or specific industries or companies. The securities markets may be volatile, which may adversely affect the ability of the Firm to realize profits. As a result of the nature of the investing activities of the Firm, it is possible that the Firm's financial performance may fluctuate substantially over time and from period to period.

**Underlying Funds Not Registered Under the Investment Company Act of 1940.** The Underlying Funds are not, nor do they intend to be, registered under the 1940 Act and thus are (i) different in many ways from open-end investment companies

(“mutual funds”) so registered, and (ii) not subject to the provisions of the 1940 Act designed for investor protection. The 1940 Act contains certain provisions, among others, relating to boards of directors of mutual funds, which govern the election of directors by mutual fund shareholders, set forth standards for disqualification of certain individuals from serving as directors and list requirements for disinterested directors. None of these provisions apply to the Underlying Funds, which are within the absolute control of the Underlying Managers. The 1940 Act also contains provisions, among others, relating to conflicts of interest, and requires investor and disinterested director approval of investment advisory agreements, while the terms of any such agreements (or similar agreements) entered into by the Underlying Fund are within the discretion of the Underlying Managers. None of the prohibitions on transactions with affiliates or certain other conflicts of interest provisions contained in the 1940 Act apply to the Underlying Funds. While the Underlying Funds keep appropriate records, they are not subject to the record-keeping or custodianship requirements of the 1940 Act. The SEC requires reports and makes inspections of the books and records of mutual funds, neither of which are the case with respect to the Underlying Funds.

**Independence of Underlying Funds; Dependence on Underlying Managers.** The Funds invest in Underlying Funds managed by the Underlying Managers. The Firm does not and will not control any of the Underlying Funds, the investments made therein and other investment decisions, all of which are entirely within the control of the Underlying Managers. The investments of the Funds are always made pursuant to written disclosures from and/or agreements with an Underlying Manager which provide, among other things, guidelines by which the Underlying Manager will manage the Underlying Fund. Thus, while each Underlying Manager is bound by a written agreement to follow specified trading strategies, it is possible that the Underlying Manager could violate the agreement by using a riskier strategy than that specified in the agreement and a loss of all or part of the Funds’ investment with such underlying manager. Further, each Fund’s performance depends on the performance of the Underlying Managers and selected strategies, the adherence by such Underlying Managers to such selected strategies, the instruments used by such managers and the Firm’s ability to select Underlying Managers and strategies and effectively allocated fund assets among them.

**Portfolio Turnover.** The Underlying Managers portfolios will be actively managed and traded to reflect market conditions and/or changes in risk tolerance, as well as to take advantage of short-term trading opportunities. Accordingly, the Funds’ portfolios may be expected to turn over frequently during the course of a year. In such circumstances, the Funds may have a higher portfolio turnover rate

and pay greater commissions than investment funds with a lower portfolio turnover rate.

**Increases in Assets Under Management May Have an Adverse Effect on Trading.** By accepting additional subscriptions (whether from the Firm's investors or otherwise), each Underlying Fund may exceed the Underlying Manager's capacity – i.e., the maximum amount at which it can effectively trade and manage risk. For example, the Underlying Managers may encounter difficulty in establishing or liquidating larger positions at desired prices.

**Accuracy of Public Information.** The Underlying Managers select investments, in part, on the basis of information and data filed by issuers with various government regulators or made directly available to the Underlying Managers by the issuers or through sources other than the issuers. Although the Underlying Managers evaluate all such information and data and sometimes seek independent corroboration when each considers it is appropriate and reasonably available, the Underlying Managers are 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.

**Disruptions or Inability to Trade Due to a Failure to Receive Timely and Accurate Market Data from the Underlying Managers and Third-Party Vendors.** The Underlying Managers' strategies depend to a significant degree on the receipt of timely and accurate market data from third-party vendors. Any failure to receive such data in a timely manner or the receipt of inaccurate data for any reason could disrupt and adversely affect the Underlying Funds' trading until such failure or inaccuracy is corrected.

**Technology Risk.** The Underlying Managers' investment strategies rely heavily on the use of proprietary and non-proprietary software, data and intellectual property. Such reliance on this technology and data is subject to a number of important risks. The Funds may be severely and adversely affected by the malfunction of the technology and/or data feed. For example, an unforeseeable software or hardware malfunction could occur, as a result of a virus or other outside force, or as result of a design flaw in the system or in its continued implementation. In the past, occurrences of this nature to other funds have sometimes resulted in dramatically negative consequences for the portfolio of the related fund. In addition, changes in the market for publicly available data or in regulatory reporting requirements could cause a severe diminution in the data available for the technology to operate as designed. Such events can also have dramatically negative consequences for the Funds. Furthermore, if any of the software, hardware, data and/or

other intellectual property is found to infringe on the rights of any third party, the Firm or Underlying Manager could be severely and adversely affected.

**Trade Errors.** The Underlying Managers' computerized trading systems rely on the ability of their personnel to accurately process such systems' outputs and to use the proper trading orders, including stop-loss or limit orders, to execute the transactions called for by the systems.

**Investments in Securities and Other Assets Believed to Be Undervalued.** The Underlying Funds may invest in undervalued securities. 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 and/or current yield, they also involve a high degree of financial risk and can result in substantial losses. Returns generated from an Underlying Fund's investments may not adequately compensate for the business and financial risks assumed. Such investments can sometimes include bonds and other fixed income securities, including, without limitation, commercial paper and "higher yielding" (and, therefore, higher risk) debt securities.

**Small Companies.** The Underlying Funds may invest in small and/or unseasoned companies with small market capitalization. Such companies generally have potential for rapid growth, but they often involve higher risks because they may lack the management experience, financial resources, product diversification and/or competitive strength of larger and/or more established companies. In addition, in many instances, the frequency and volume of their trading may be substantially less than is typical of larger companies.

**ETFs.** The Underlying Funds may invest in exchange-traded funds ("ETFs"). ETFs represent an interest in a passively managed portfolio of securities selected to replicate a securities index. Because ETF shares are traded on an exchange, they may trade at a discount from or a premium to the net asset value per share of the underlying portfolio of securities. In addition to bearing the risks related to investments in equity securities, investors in ETFs intended to replicate a securities index bear the risk that the ETFs performance may not correctly replicate the performance of the index. Investors in ETFs, closed-end funds and other investment companies bear a proportionate share of the expenses of those funds, including management fees, custodial and accounting costs and other expenses. Trading in ETF and closed-end fund shares also entails payment of brokerage commissions and other transaction costs.

**ETF Correlation Risk.** A number of factors may affect an ETF's ability to achieve a high degree of correlation with its benchmark, and there can be no guarantee that an ETF will achieve a high degree of correlation. A failure to achieve a high degree of correlation may prevent the Firm from achieving its investment objective. A number of factors may adversely affect the Firm's correlation with its benchmark, including fees, expenses, transaction costs, costs associated with the use of leveraged investment techniques, income items, accounting standards and disruptions or illiquidity in the markets for the securities or financial instruments in which an ETF invests. An ETF may not have investment exposure to all securities in its underlying benchmark index, or its weighting of investment exposure to such stocks or industries may be different from that of the benchmark index. In addition, an ETF may invest in securities or financial instruments not included in the index underlying its benchmark. An ETF may be subject to large movements of assets into and out of the ETF, potentially resulting in the ETF being overexposed or underexposed to its benchmark. Activities surrounding annual index reconstitutions and other index rebalancing or reconstitution events may hinder an ETF's ability to meet its daily investment objective on that day. Each ETF seeks to rebalance its portfolio daily to keep leverage consistent with its daily investment objective. ETFs are "leveraged" funds in the sense that they have investment objectives to match the inverse, a multiple or a multiple of the inverse of the performance of an index on a given day. These ETFs are subject to all of the correlation risks described above. In addition, there is a special form of correlation risk that derives from these ETFs' use of leverage, which is that for periods greater than one day, the use of leverage tends to cause the performance of an ETF to be either greater than or less than the index performance (or the inverse of the index performance) times the stated multiple in the Firm's objective, before accounting for fees and applicable expenses.

**ETF Liquidity Risk.** In certain circumstances, such as the disruption of the orderly markets for the securities or financial instruments in which an ETF invests, an ETF might not be able to dispose of certain holdings quickly or at prices that represent true market value in the judgment of the ETF portfolio manager(s). Such a situation may prevent an ETF from limiting losses, realizing gains or achieving a high correlation or inverse correlation with its underlying index.

**Foreign Exchange/Foreign Currency.** The Underlying Managers may trade in foreign exchange and foreign exchange options, as well as spot, forwards and non-deliverable forwards in currencies of G10 and emerging market economies. Currency trading differs from most of the trading in the U.S. of stocks, futures or options, in that it does not typically occur on regulated exchanges and clearing

houses do not guarantee the execution of trades. Instead, most participants in currency markets trade with each other based upon various credit arrangements.

**Cash Flow.** The Underlying Managers may trade options on foreign exchange. Foreign exchange gains and losses are marked-to-market daily for purposes of determining margin requirements. Option positions generally are marked-to-market daily, and short option positions will require additional margin if the market moves against the position. There may be periods in which positions on both sides must be closed down prematurely due to short-term cash flow needs. Were this to occur during an adverse move in a spread or straddle relationship, a substantial loss could occur.

**Volatility of Currency Prices.** The profitability of a portfolio of an Underlying Fund sometimes depends, in part, upon the future price movements of currencies. However, price movements of currencies are influenced by, among other things, changing supply and demand relationships; governmental, trade, fiscal, monetary and exchange control programs and policies; national and international political and economic events; and changes in interest rates. Governments from time to time intervene in certain markets in order to influence prices directly.

**Exchange Rate Fluctuations.** Investments that are denominated in a foreign currency are subject to the risk that the value of a particular currency will change in relation to one or more other currencies. The Firm will generally value its holdings and to make distributions, if any, in U.S. Dollars. Thus, changes in currency exchange rates adverse to the U.S. Dollar may affect adversely the value of such holdings.

**Foreign Exchange Markets May Be Illiquid At Certain Times.** Several nations or groups of nations have in the past imposed trading limits or restrictions on the amount by which the price of certain foreign exchanges may vary during a given time period and the volume which may be traded; they have also imposed restrictions or penalties for carrying positions in certain foreign currencies over time. Such limits may prevent trades from being executed during a given trading period. Such restrictions or limits could prevent the Underlying Managers from promptly liquidating unfavorable positions and, therefore could subject the Firm to substantial losses. The Underlying Managers may trade on certain non-U.S. markets, which may be substantially more prone to periods of illiquidity than the United States markets due to a variety of factors.

**Foreign Transactions Risks Generally.** Trading on interbank markets outside the United States is not regulated by any United States governmental agency and may involve certain risks not

applicable to trading on United States exchanges. Trading on foreign markets involves the additional risks of expropriation, burdensome or confiscatory taxation, moratoriums, investment controls or political or diplomatic events, which might adversely affect the Firm's trading activities. Trading on foreign markets is also subject to the risk of changes in the exchange rate between dollars and the currencies in which such contracts are settled, which can have an effect on profits or losses even after a position has been closed out.

**Leverage Used by the Firm.** The Firm may, in its sole discretion, employ leverage in order to achieve its investment objectives. Such leverage may take the form of loans for borrowed money, derivative transactions and trading in instruments that may be inherently leveraged. The Firm may enter into a credit arrangement with a lender, and, in connection with such borrowings, may be required to pledge as collateral all or a portion of the assets of the Firm.

**Leverage Used by the Underlying Funds.** When appropriate and subject to applicable regulations, an Underlying Fund may use leverage in its investment program, including the use of borrowed funds and investments in certain types of options, such as puts, calls and warrants, or total return swaps, 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 an Underlying Fund 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 Firm.

Certain of the Underlying Funds' trading and investment activities in securities and other financial instruments may be subject to Federal Reserve Board (the "FRB") margin requirements, which are computed each day. When the market value of a particular open position changes to a point where the margin on deposit does not satisfy maintenance margin requirements, a "margin call" on the customer is made. With respect to these trading activities, the Underlying Funds and not their investors personally, will be subject to margin calls.

**Short Sales.** The Underlying Managers may sell securities short. Short selling involves the sale of a security that the seller 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 seller must borrow securities



from a third-party lender. The Underlying Funds, and therefore the Firm, may be subject to losses if a security lender demands return of the lent securities and an alternative lending source cannot be found.

**Risks of Trading Futures.** Trading futures is a highly risky strategy. Whenever an Underlying Fund purchases a particular future, there is a possibility that the Underlying Fund may sustain a total loss of its purchase price. The prices of futures are, in general, much more volatile than prices of securities such as stocks and bonds. As a result, the risk of loss in trading futures is substantially greater than in trading those securities.

**Options and Other Derivative Instruments.** The Underlying Funds may invest in derivative instruments. The prices of many derivative instruments, including many options and swaps, are highly volatile. Price movements of options contracts and payments pursuant to swap agreements are influenced by, among other things, interest rates, changing supply and demand relationships, trade, fiscal, monetary and exchange control programs and policies of governments and national and international political and economic events and policies. The value of options and swap agreements also depends upon the price of the securities, currencies or other assets underlying them. The Underlying Funds are also subject to the risk of the failure of any of the exchanges on which their positions trade or of their clearinghouses or of counterparties. The cost of options is related, in part, to the degree of volatility of the underlying securities, currencies or other assets. Accordingly, options on highly volatile securities, currencies or other assets may be more expensive than options on other investments.

Put options and call options typically have similar structural characteristics and operational mechanics regardless of the underlying instrument or asset on which they are purchased or sold. A put option gives the purchaser of the option, upon payment of a premium, the right to sell, and the writer the obligation to buy, the underlying security, commodity, index, currency or other instrument or asset at the exercise price. A call option, upon payment of a premium, gives the purchaser of the option the right to buy, and the seller the obligation to sell, the underlying instrument or asset at the exercise price.

Swaps and certain options and other custom instruments are subject to the risk of non-performance by the counterparty, including risks relating to the financial soundness and creditworthiness of the counterparty.

**Changes in Derivatives Regulations.** The regulatory environment for derivatives is evolving, and changes in such regulation could restrict, make more costly or otherwise adversely

affect the Firm's ability to pursue its investment strategy.

**Event-Driven Investments.** The Underlying Managers may invest in companies based upon certain situations or events, including (but not limited to) spin-offs, mergers and acquisitions, rights offerings, restructurings and bankruptcies. Such special situations and events may carry a high probability of indiscriminate selling or neglect of valuable assets for reasons other than a lack of investment merits. Occasionally, an Underlying Fund may engage in arbitrage transactions that the relevant Underlying Manager believes represent an exceptional risk/reward opportunity. Risk arbitrage opportunities generally arise during corporate mergers, leveraged buyouts or takeovers. Frequently the stock of the company being acquired will trade at a significant discount to the announced deal price. This discount compensates investors for the time value of money and the risk that the transaction may be canceled. If the discount is significantly greater than the initial assessment of the underlying risk, the strategy will be implemented.

**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 their 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 for an Underlying Fund to hedge against a fluctuation at a price sufficient to protect the Underlying Fund's 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 Underlying Managers are not obligated to establish hedges for portfolio positions and may not do so. To the extent that hedging transactions are effected, their success is dependent on the ability of the Underlying Managers to correctly predict movements in the direction of currency and interest rates and the equity markets or sectors thereof.

**Counterparty and Settlement Risk.** To the extent an Underlying Fund invests in swaps, derivative or synthetic instruments, repurchase agreements or other over-the-counter transactions or, in certain circumstances, non-U.S. securities, the Underlying Fund may take a credit risk with regard to parties with which it trades and may also bear the risk of settlement default. These risks may differ materially from those entailed in exchange-traded transactions, which generally are backed by clearing organization guarantees, daily marking-to-market and settlement and segregation and minimum capital requirements applicable to intermediaries. Transactions entered directly between two counterparties generally do not benefit from such protections and expose the parties to the risk of counterparty default.

**Custody Risk.** It is anticipated that a portion of the Underlying Funds' assets may be invested in currency forward contracts, futures, options, swaps or similar financial instruments which are not capable of being "custodied" in the traditional sense. Accordingly, at any given time, an Underlying Fund's accounts may only contain a small amount of cash and/or direct investments, with the majority of such Underlying Fund's assets posted as collateral or otherwise held at the various banks, brokerage firms and other financial institutions with which it has effected investment transactions. It is expected that all securities and other assets deposited with custodians or brokers will be clearly identified as being assets of the Underlying Fund, and hence the Underlying Fund should not be exposed to a credit risk with respect to such parties. However, it may not always be possible to achieve this segregation and there may be practical or timing problems associated with enforcing the Underlying Fund's rights to its assets in the case of an insolvency of any such party, particularly as regards to parties located in non-U.S. jurisdictions.

**Market or Interest Rate Risk.** The Underlying Managers may, from time to time, invest in fixed income securities and instruments. The price of many 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 an Underlying Fund holds a fixed income security to maturity, the change in its price before maturity may have little impact on the Underlying Fund's performance. However, if the Underlying Fund has to sell the fixed income security before the maturity date, an increase in interest rates could result in a loss to the Underlying Fund, and therefore the Firm.

**Call Option Risk.** Many bonds, including agency, corporate and municipal bonds, and all mortgage-backed securities, contain a provision that allows the issuer to "call" (i.e., redeem) all or part of the issue before the bond's maturity date. The issuer usually retains

this right to refinance the bond in the future if market interest rates decline below the coupon rate. There are three (3) disadvantages to the call provision. First, the cash flow pattern of a callable bond is not known with certainty. Second, because the issuer will call the bonds when interest rates have dropped, the Underlying Fund is exposed to reinvestment rate risk – the Underlying Fund will have to reinvest the proceeds received when the bond is called at lower interest rates. Finally, the capital appreciation potential of a bond will be reduced because the price of a callable bond may not rise much above the price at which the issuer may call the bond.

**Maturity Risk.** In certain situations, an Underlying Fund may purchase a bond of a given maturity as an alternative to another bond of a different maturity. Ordinarily, under these circumstances, such Underlying Fund will make an adjustment to account for the interest rate risk differential in the two (2) 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 an Underlying Fund purchases a five (5) year bond in which it can realize a coupon rate of five percent (5.00%), but the rate of inflation is six percent (6.00%), then the purchasing power of the cash flow has declined. For all but inflation-linked bonds, adjustable bonds or floating rate bonds, the Underlying Fund 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.

**High Yield Securities.** The Underlying Funds may invest in "high yield" bonds and preferred securities which are rated in the lower rating categories by the various credit rating agencies (or in comparable non-rated securities). Securities in the lower rating categories are subject to a greater risk of loss of principal and interest than higher-rated securities and are generally considered to be predominantly speculative with respect to the issuer's capacity to pay interest and repay principal. They are also generally considered to be subject to greater risk than securities with higher ratings in the case of deterioration of general economic conditions. Because investors generally perceive that there are greater risks associated with the lower-rated securities, the yields and prices of such securities may tend to fluctuate more than those for higher-rated

securities. The market for lower-rated securities is thinner and less active than that for higher-rated securities, which can adversely affect the prices at which these securities can be sold. In addition, adverse publicity and investor perceptions of lower-rated securities, whether or not based on fundamental analysis, may be a contributing factor in a decrease in the value and liquidity of such lower-rated securities.

**Systemic Risk.** Credit risk may arise through a default by one of several large institutions that are dependent on one another to meet their liquidity or operational needs, so that a default by one institution causes a series of defaults by the other institutions. This is sometimes referred to as “systemic risk” and may adversely affect financial intermediaries, such as clearing agencies, clearing houses, banks, securities firms and exchanges, with which the Firm and/or an Underlying Fund interacts on a daily basis. Systemic risk could result in increased volatility of financial markets and a greater risk of counterparty default. To the extent that systemic risk occurs, it could result in large losses to Underlying Funds and the Firm.

**Special Situations.** The Underlying Funds may invest in companies that are involved in (or are the target of) acquisition attempts or tender offers, or companies involved in work-outs, liquidations, spin-offs, reorganizations, bankruptcies and similar transactions. In any investment opportunity involving any such type of business enterprise, there exists the risk that the transaction in which such business enterprise is involved either will be unsuccessful, take considerable time or result in a distribution of cash or a new security the value of which will be less than the purchase price to the Underlying Fund of the security or other financial instrument in respect of which such distribution is received. Similarly, if an anticipated transaction does not in fact occur, the Underlying Fund may be required to sell its investment at a loss. Because there is substantial uncertainty concerning the outcome of transactions involving financially troubled companies in which the Underlying Fund may invest, there is a potential risk of loss to the Underlying Fund (and therefore to the Firm) of its entire investment in such companies.

**Investments in Non-U.S. Investments.** The Underlying Funds may invest and trade a portion of the relevant Underlying Funds’ assets in non-U.S. securities and other assets (through ADRs and otherwise), which will give rise to risks relating to political, social and economic developments abroad, as well as risks resulting from the differences between the regulations to which U.S. and non-U.S. issuers and markets are subject. Such risks may include:

- Political or social instability, the seizure by non-U.S. governments of company assets, acts of war or terrorism,

withholding taxes on dividends and interest, high or confiscatory tax levels, and limitations on the use or transfer of portfolio assets.

- Enforcing legal rights in some foreign countries is difficult, costly and slow, and there are sometimes special problems enforcing claims against non-U.S. governments.
- Non-U.S. securities and other assets often trade in currencies other than the U.S. Dollar, and the Underlying Funds may directly hold non-U.S. currencies and purchase and sell non-U.S. currencies through forward exchange contracts. Changes in currency exchange rates will affect an Underlying Fund's net asset value, the value of dividends and interest earned, and gains and losses realized on the sale of investments. An increase in the strength of the U.S. Dollar relative to these other currencies may cause the value of an Underlying Fund's investments to decline. Some non-U.S. currencies are particularly volatile. Non-U.S. governments may intervene in the currency markets, causing a decline in value or liquidity of an Underlying Fund's non-U.S. currency holdings. If an Underlying Fund enters into forward non-U.S. currency exchange contracts for hedging purposes, it may lose the benefits of advantageous changes in exchange rates. On the other hand, if an Underlying Fund enters forward contracts for increasing return, it may sustain losses.
- Non-U.S. securities, commodities and other markets may be less liquid, more volatile and less closely supervised by the government than in the United States. Foreign countries often lack uniform accounting, auditing and financial reporting standards, and there may be less public information about the operations of issuers in such markets.

**Developing and Emerging Markets.** Investing in developing and emerging markets involves additional risks and special considerations not typically associated with investing in other more established economies or securities markets. Such risks may include, among others: (i) increased risk of nationalization or expropriation of assets or confiscatory taxation; (ii) greater social, economic and political uncertainty (including war); (iii) higher dependence on exports and the corresponding importance of international trade; (iv) greater volatility, less liquidity and smaller capitalization of securities markets; (v) greater volatility in currency exchange rates; (vi) greater risk of inflation; (vii) greater controls on foreign investment and limitations on repatriation of invested capital and on the ability to exchange local currencies for U.S. Dollars; (viii) increased likelihood of governmental involvement in and control over the economies; (ix) governmental decisions to cease support of

economic reform programs or to impose centrally planned economies; (x) differences in auditing and financial reporting standards, which may result in the unavailability of material information about issuers; (xi) less extensive regulation of the securities markets; (xii) longer settlement periods for securities transactions and less reliable clearance and custody arrangements; (xiii) less developed corporate laws regarding fiduciary duties of officers and directors and the protection of investors; and (xiv) certain considerations regarding the maintenance of the Underlying Funds' securities and cash with non-U.S. brokers and securities depositories.

**Illiquid Investments by Underlying Funds.** All or a portion of the investments made by an Underlying Fund may be in illiquid securities which are difficult to value and, therefore, could affect the ability of such Underlying Fund to meet withdrawal requests from the Firm.

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

**Venture Capital Risk.** An investment in a venture capital fund provides limited liquidity since the interests in such fund are not freely transferable and investors may not withdraw or otherwise redeem from the venture capital fund prior to the end of such fund's term, which is usually at least five (5) years. In light of these restrictions, an investment in a venture capital fund is suitable only for sophisticated investors who have no need for more immediate liquidity in their investment. Additionally, there is no assurance that the venture capital fund's investment in the project and/or small business will be profitable or that any distribution will be made to investors. Any return on investment to investors will depend upon successful investments being made by the venture capital fund. The marketability and value of any such investment will depend upon many factors beyond the control of the Firm.

- (D) **Security-Specific Risks:** Please see the response to Item 8.(B), reflected in 8(C) above.

**Item 9. Disciplinary Information:**

Legal and disciplinary events in which the Firm or any supervised persons have been involved that are material to a client's or prospective client's evaluation of the Firm's advisory business or management is listed below (see response after each event).

**(A)** A criminal or civil action in a domestic, foreign or military court of competent jurisdiction in which The Firm or a management person:

- (i) Was convicted of, or pled guilty or nolo contendere ("no contest") to: (a) any felony; (b) a misdemeanor that involved investments or an investment-related business, fraud, false statements or omissions, wrongful taking of property, bribery, perjury, forgery, counterfeiting, or extortion; or (c) a conspiracy to commit any of these offenses. **N/A**
- (ii) Is the named subject of a pending criminal proceeding that involves an investment-related business, fraud, false statements or omissions, wrongful taking of property, bribery, perjury, forgery, counterfeiting, extortion, or a conspiracy to commit any of these offenses. **N/A**
- (iii) Was found to have been involved in a violation of an investment-related statute or regulation. **N/A**
- (iv) Was the subject of any order, judgment, or decree permanently or temporarily enjoining, or otherwise limiting, your firm or a management person from engaging in any investment-related activity, or from violating any investment-related statute, rule, or order. **N/A**

**(B)** An administrative proceeding before the SEC, any other federal regulatory agency, any state regulatory agency, or any foreign financial regulatory authority in which the Firm or a management person:

- (i) Was found to have caused an investment-related business to lose its authorization to do business. **N/A**
- (ii) Was found to have been involved in a violation of an investment-related statute or regulation and was the subject of an order by the agency or authority:
  - a. Denying, suspending, or revoking the authorization of the Firm or a management person to act in an investment-related business. **N/A**
  - b. Barring or suspending Firm's or a management person's association with an investment-related



business. **N/A**

c. Otherwise significantly limiting Firm's or a management person's investment-related activities. **N/A**

d. Imposing a civil money penalty of more than two thousand five hundred dollars (\$2,500) on the Firm or a management person. **N/A**

(C) A self-regulatory organization (SRO) proceeding in which the Firm or a management person:

(i) Was found to have caused an investment-related business to lose its authorization to do business. **N/A**

(ii) Was found to have been involved in a violation of the SRO's rules and was: (i) barred or suspended from membership or from association with other members, or was expelled from membership; (ii) otherwise significantly limited from investment-related activities; or (iii) fined more than two thousand five hundred dollars (\$2,500). **N/A**

**Item 10. Other Financial Industry Activities and Affiliations:**

(A) The Firm is not a broker-dealer nor is it affiliated with any broker-dealer. Christopher LaGrego and Andrew Formato, members of the Firm, are registered representatives at Weeden Prime Services, LLC, a registered broker-dealer and investment adviser with the SEC and a member of the Financial Industry Regulatory Authority ("FINRA"), National Futures Association ("NFA") and Securities Investor Protection Corporation ("SIPC").

The Funds' offerings are not affiliated with Weeden Prime Services, LLC.

(B) The Firm has no existing or pending affiliations with a futures commission merchant ("FCM"), commodity pool operator ("CPO"), or commodity trading advisor ("CTA") or any associated person of the foregoing entities.

(C) The Firm and/or its management persons have a relationship or arrangement that is material to its advisory business or to its clients with any related person as discussed below:

(i) Broker-dealer, municipal securities dealer, or government securities dealer or broker.

(ii) Investment Company or other pooled investment vehicle

(including a mutual fund, closed-end investment company, unit investment trust, private investment company or “hedge fund,” and offshore fund). Except as discussed at Item 4.(B) and below.

- (iii) Other investment adviser or financial planner: **N/A**
  - (iv) Futures commission merchant, commodity pool operator, or commodity trading advisor. **N/A**
  - (v) Banking or thrift institution. **N/A**
  - (vi) Accountant or accounting firm. **N/A**
  - (vii) Lawyer or law firm. **N/A**
  - (viii) Insurance company or agency. **N/A**
  - (ix) Pension consultant. **N/A**
  - (x) Real estate broker or dealer. **N/A**
  - (xi) Sponsor or syndicate of limited partnerships. **N/A**
- (D) The Firm recommends or selects other investment advisers for clients: **N/A**
- (E) ACA and its management persons do not have any other relationship or arrangement with any financial industry entity that is material to ACA’s advisory business or to its clients.

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

As a fundamental mandate, we demand the highest standards of ethical conduct and care from all of our employees and officers. Our employees must abide by this basic business standard and must not take inappropriate advantage of their position. Each employee is under a duty to exercise his or her authority and responsibility for our benefit and for the benefit of our clients and may not have outside interests that inappropriately conflict with our interests or those of our clients. Each employee must avoid circumstances or conduct that adversely affect or that appear to adversely affect our clients or us.

**Code of Ethics**

Pursuant to Rule 204A-1, promulgated under the Investment Advisers Act, we have adopted a Code of Ethics to establish applicable policies,

guidelines, and procedures that promote ethical practices and conduct by all of our employees and officers and to prevent violations of the Investment Advisers Act and the Investment Company Act.

Our Code of Ethics requires all of our employees to adhere to the highest ethical standards when discharging their investment advisory duties to clients or conducting general business activity on our behalf in every possible capacity, such as investment management, administration, dealings with service providers, the confidentiality of information, and financial matters of every kind. Accordingly, the Code of Ethics sets forth policies that are designed to reasonably assure that the high ethical standards that we maintain to continue to be applied, deter misconduct by employees, and protect clients and investors in the Client Accounts that we manage. The Code of Ethics prohibits certain activities and personal financial interests and requires disclosure of certain personal investments and related business activities of employees. In addition, the Code of Ethics requires all employees to have an obligation and a responsibility to conduct business in a manner that maintains the trust and respect of fellow employees, our clients, their investors, our business counterparties, and the general public.

We will provide a copy of our Code of Ethics, free of charge, to any client or investor and the prospective client or prospective investor upon request. Our Code of Ethics may be requested by contacting our Chief Compliance Officer, Joanne Costantini, at 914-205-5823 or [jc@oneoakcapitalmgmt.com](mailto:jc@oneoakcapitalmgmt.com).

**Recommending, Buying, or Selling Securities in which We or a Related Person Have a Material Financial Interest, Invest, or Buy or Sell at the Same Time; Conflict of Interests**

In appropriate circumstances, we may cause client accounts over which we have investment authority to affect the purchase or sale of securities, or related securities such as warrants, options, or futures, in which our advisory personnel, our other clients, or we, directly or indirectly, have a position of interest. We may also recommend that our clients or prospective clients purchase or sell such securities. Nevertheless, we anticipate that we will rarely invest client assets in the same or related securities in which we, or our related persons, are invested. There may be circumstances in which we may recommend to clients or buy or sell for Funds' securities in which our related persons, our other clients, or we have a position of interest. Such purchases and sales may occur at or about the same time that we buy or sell the same security for our own account, or our related persons buy or sell the same security for their own accounts.

Conflicts of interest may occur when we, or our related persons, invest in the same securities that we recommend to our clients and when we, or our

related persons, trade in the same security at or about the same time. As discussed above, we expect these situations to occur infrequently, if ever. For example, theoretically, we may seek to sell the securities we hold while simultaneously recommending that our clients maintain their position in the security. A sale by our related persons or us may affect the liquidity of the securities that our clients continue to hold.

### **Personal Trading**

We recognize that the personal investment transactions of members and employees of our firm demand the application of a high Code of Ethics and require that all such transactions be carried out in a way that does not endanger the interest of any client. At the same time, we believe that if investment goals are similar for clients and for members and employees of our firm, it is logical and even desirable that there be common ownership of some securities.

Therefore, in order to prevent conflicts of interest, we have in place a set of procedures (including a pre-clearing procedure) with respect to transactions effected by our members, officers, and employees for their personal accounts. In order to monitor compliance with our personal trading policy, we have a quarterly securities transaction reporting system for all of our associates.

Furthermore, our firm has established a Code of Ethics that applies to all of our associated persons. An investment adviser is considered a fiduciary. As a fiduciary, it is an investment adviser's responsibility to provide fair and full disclosure of all material facts and to act solely in the best interest of each of our clients at all times. We have a fiduciary duty to all clients. Our fiduciary duty is considered the core underlying principle for our Code of Ethics, which also includes Insider Trading and Personal Securities Transactions Policies and Procedures. We require all of our supervised persons to conduct business with the highest level of ethical standards and to comply with all federal and state securities laws at all times. Upon employment or affiliation and at least annually thereafter, all supervised persons will sign an acknowledgment that they have read, understand, and agree to comply with our Code of Ethics. Our firm and supervised persons must conduct business in an honest, ethical, and fair manner and avoid all circumstances that might negatively affect or appear to affect our duty of complete loyalty to all clients. This disclosure is provided to give all clients a summary of our Code of Ethics. However, if a client or a potential client wishes to review our Code of Ethics in its entirety, a copy will be provided promptly upon request.

Related persons of our firm may buy or sell securities and other investments that are also recommended to clients. In order to minimize any conflict of interest, our related persons will place client interests ahead of their own interests and adhere to our firm's Code of Ethics, a

copy of which is available upon request.

Related persons may buy or sell securities for themselves at or about the same time they buy or sell the same securities for client accounts. If a security is bought or sold for clients and for Firm access persons on the same day, the access person's trades must either be: 1. aggregated with the client transactions, in which case all participants in the transaction participate on an average price basis; or 2. executed at the end of the trade day after all client trades in the subject security for that day are completed. If the access person's purchase of the security is not aggregated with client trades, the price received by the access person cannot be more favorable than the price received for the same security for client accounts that day.

Related persons may buy or sell different investments based on personal investment considerations, which the Firm may not deem appropriate to buy or sell for clients. It is also possible that employees may take investment positions for their own accounts that are contrary to those taken on behalf of clients. Employees may also buy or sell a specific security for their personal account based on personal investment considerations aside from company or industry fundamentals, which are not deemed appropriate to buy or sell for clients. If these securities subsequently appreciate, these personal transactions could be viewed as creating a conflict of interest.

Conversely, related persons may liquidate a security position that is held both for their own account and for the accounts of Firm clients, sometimes in advance of clients. This occurs when personal considerations (i.e., liquidity needs, tax-planning, industry/sector weightings) deem a sale necessary for individual financial planning reasons. If the security subsequently falls in price, these personal transactions could be viewed as a conflict of interest.

**Item 12. Brokerage Practices:**

**(A) Selection of Broker-Dealers:**

Currently, the Funds do not invest the Funds' assets directly in securities and/or other financial instruments and only invest in Underlying Funds or maintain cash or cash equivalent investments. Therefore, the Firm does not use or select broker-dealers on behalf of its Fund clients. The Underlying Managers select the broker-dealers to execute transactions on behalf of the Underlying Funds. Generally, portfolio transactions for the Underlying Funds are cleared through brokerage accounts maintained at various brokerage institutions, including without limitation, affiliates of the Firm, each of which may or may not also act as a custodian for the Underlying Funds.

The Firm reviews the quality of the brokerage services selected by the Underlying Managers on behalf of the Underlying Funds to ensure that portfolio transactions are executed by broker-dealers selected on behalf of clients on the basis of their ability to effect prompt and efficient executions at competitive rates and also in consideration of such brokers' provision or payment of brokerage or research services (referred to as payment made by "soft dollars," as further discussed herein). Reasonableness of commissions is assessed based on numerous factors, including but not limited to the nature of the services provided and the rates charged by competitors for the same or similar services.

The Funds' investors bear a pro rata portion of the commissions charged by any broker-dealer utilized by the Underlying Manager, including affiliates of the Firm.

The Firm does not use or select broker-dealers on behalf of MedTech Fund.

**(B) Research and Other Soft Dollar Benefits**

Research and Other Soft Dollar Benefits Section 28(e) of the United States Securities Exchange Act of 1934, as amended, establishes a safe harbor (the "Section 28(e) safe harbor" or "safe harbor") allowing Underlying Managers to use client funds, by way of commission dollars, to purchase certain brokerage and research services. The use of such commission dollars to obtain research or other products or services benefits the clients, who do not have to produce or pay for such research, products or services. Further, the amount of commissions paid by a client, if any (directly or indirectly), must be reasonable in light of the value of the brokerage or research services offered, taking into account various factors, including commission rates, financial responsibility and strength and ability of the broker to efficiently execute transactions. This practice may create an incentive to select or recommend a broker-dealer based on research or other products rather than on a client's interest in best execution.

The Section 28(e) safe harbor is only available under certain circumstances and covers research services provided by brokers which generally include advice, analyses and reports, and may specifically include traditional research reports analyzing the performance of a particular company or stock, certain financial newsletters and trade journals, quantitative analytical software and software that provides analyses of securities portfolios, seminars, conferences and other services that reflect substantive content (i.e., the expression of reasoning or knowledge relating to the subject

matter of Section 28(e)) and provide lawful and appropriate assistance to the Underlying Manager in the performance of its investment decision-making responsibilities on behalf of a client.

To the extent applicable, an Underlying Manager may use soft dollars within the parameters of the Section 28(e) safe harbor, for items including but not limited to research advice, analyses and reports and products and services that relate to the execution of a trade (e.g., connectivity services and trading software).

**(C) Brokerage for Client Referrals:**

ACA does not receive referrals from broker-dealers or third parties in exchange for using such broker-dealer or third party.

**Item 13. Review of Accounts:**

- (A)** The Firm's Investment Committee reviews each Fund account periodically, on an as-needed basis, and the allocations of each of its investors in the Underlying Funds. Such meetings involve discussing whether particular strategies or investment limitations would and continue to suit a client. The Firm's Investment Committee meets regularly to discuss current and potential Underlying Managers and their strategies. In addition, the Firm's Investment Committee monitors the trading activity within client accounts to ensure compliance with the applicable investment strategies and limitations.
- (B)** In the event an Underlying Manager violates its risk parameters, the Firm's Investment Committee would engage in a review of the account at issue. Such a review would, at such time, involve working with the Underlying Manager at issue to understand the circumstances and devise an appropriate solution.

**Item 14. Client Referrals and Other Compensation:**

- (A)** The Firm does not receive, from any non-Client, any economic benefit associated with advising the Funds. However, Messrs, LaGrego and Formato, as the case may be, may receive, directly or indirectly, commissions or other compensation in connection with certain transactions by the Underlying Managers, as disclosed in Item 5(E).
- (B)** ACA may compensate affiliates or non-affiliates for client referrals in accordance with Rule 206(4)-3 under the Advisers Act. The compensation paid to any such entity will typically consist of a payment stated as a percentage of the management fee or performance fee earned by ACA. Third parties who refer or help

solicit clients may also be compensated based on a percentage of the management fee or performance fee charged to the particular Fund. When required under the law, the policies and procedures require regulatory disclosure of the compensation arrangement between ACA and the referring party.

- (C) In addition, ACA may be compensated for client referrals to third parties in accordance with Rule 206(4)-3. In such instances, ACA receives a fee for the referral of clients to third parties. As noted above, ACA and DCM have a reciprocal “solicitor arrangement(s)” pursuant to Section 206(4)-3 of the Act.

**Item 15. Custody:**

By virtue of the fact that the Firm acts as investment adviser to the Funds and has an affiliated party who acts as general partner (or analogous party) to the Funds, the Firm may be deemed to have custody of the Funds’ client assets under current applicable regulatory interpretations. As an adviser with custody, the Funds are audited on an annual basis by an independent public accountant that is both registered with and subject to regular inspection by the Public Company Accounting Oversight Board (the “PCAOB”). The Firm sends these audited financials to each Fund investor, as appropriate, within one hundred eighty (180) days of the Fund’s fiscal year end.

Advisers that are general partners to limited partnerships, hedge funds or other pooled investment vehicles (“investment pool”) (or that have related persons that are general partners to limited partnerships) may be exempt from the annual surprise examination provided that the investment pool is audited at least annually by an accountant that is both registered with, and subject to regular inspection by, the PCAOB; and the audited financial statements are distributed to each investor in the investment pool (or their independent representative) within one hundred twenty (120) days of the fiscal year-end of the investment pool (one hundred eighty (180) days for fund of funds).

As soon as practicable following completion of the annual audit of the Funds, the Firm will prepare and mail, or will cause to be prepared and mailed, to each limited partner or shareholder a financial report presented in accordance with GAAP, together with the report thereon submitted by the accountants selected by the general partner (or analogous party) setting forth, as of the end of the fiscal year and for each fund in which they are invested: (a) a balance sheet, (b) an income statement and (c) a statement showing the aggregate fund gains and aggregate fund losses for such year. In addition, after the end of each fiscal year, each investor will be



furnished with the required tax information for preparation of their respective tax returns.

**Item 16. Investment Discretion:**

The Firm has discretionary investment authority over the investments of the assets of the Funds and MedTech Fund. ACA exercises its investment discretion in accordance with the investment strategy as set forth in the Advisory Agreements. Investors must execute a subscription agreement or similar document in which they make various representations, including representations regarding their suitability to invest in a high-risk investment pool. Further, investors in the Funds and MedTech Fund must also execute a limited partnership agreement (or analogous document) that contains a power of attorney. The Underlying Managers have broad discretionary authority to manage securities accounts on behalf of the Underlying Funds and their investors, including the Funds.

**Item 17. Voting Client Securities:**

- (A) The Firm will not vote proxies as it only invests the assets of the Funds. The Underlying Managers will have discretionary authority for investment decisions by its clients, and thus will have the authority to vote proxies on behalf of its clients, including the Underlying Funds in which the Funds invest.

The Firm will not vote proxies on behalf of MedTech Fund.

- (B) The Firm does not have authority to vote client securities. *Please refer to Item 17.(A).*

**Item 18. Financial Information:**

- (A) The Firm is not required to attach a balance sheet as it does not require or solicit prepayment of fees six (6) months or more in advance.
- (B) Because the Firm has discretionary authority over and/or custody of client funds or securities, the Firm has disclosed, as follows, any financial condition that is reasonably likely to impair its ability to meet contractual commitments to clients: **None.**
- (C) The Firm has not been the subject of a bankruptcy petition during the past ten (10) years.

**Item 19. Requirements for State-Registered Advisers: N/A**