

## **Part 2A of Form ADV: *Firm Brochure***

**Sivik Global Healthcare, LLC**

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March 30, 2021

**This brochure provides information about the qualifications and business practices of Sivik Global Healthcare, LLC (the “Adviser”), an investment adviser registered with the United States Securities and Exchange Commission (the “SEC”). If you have any questions about the contents of this brochure, please contact us at (203)-769-8600 or [will@sivik.com](mailto:will@sivik.com). The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority. Registration with the U.S. Securities and Exchange Commission, or any state, as an investment adviser does not imply any level of skill or training.**

**Additional information about is Sivik Global Healthcare, LLC available on the SEC’s website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).**

## **Item 2. Summary of Material Changes**

Pursuant to SEC Rules, we will ensure that you receive a summary of any material changes to this and subsequent Brochures within 120 days of the close of our business fiscal year. We may further provide other ongoing disclosure information about material changes as necessary.

*As of the date of this Brochure there was one material change of note since the annual updating amendment to Sivik Global Healthcare's Brochure that was filed in March 2020. William Bruce replaced Kyle Altshuler as Chief Compliance Officer and Chief Financial Officer following Mr. Altshuler's departure from the firm.*

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#### **Item 4. Advisory Business**

Sivik Global Healthcare, LLC (“Sivik” or “Firm” or “Adviser”) is an investment management firm with its principal place of business in Greenwich, CT. The Firm has been in business since 2013. In June 2014, Sivik became registered as an investment adviser with the SEC under the Investment Advisers Act of 1940. Krishen Sud is the Managing Member of the Firm.

Sivik managed approximately \$429 million in regulatory assets as of December 31, 2020.

#### **Investment Management Services**

Sivik is the investment manager for the following:

##### ***Private Investment Funds***

- Sivik Healthcare Partners, L.P. (“Onshore Fund”), a limited partnership formed under the laws of the State of Delaware; and
- Sivik Healthcare Offshore Fund Ltd. (“Offshore Fund”), an exempted company formed under the laws of the Cayman Islands; and
- Sivik Healthcare Master Fund, L.P. (“Master Fund”), an exempted limited partnership formed under the laws of the Cayman Islands.

Such funds are collectively referred to as the “Sivik Funds” or “Advisory Client” in this Firm Brochure. The Onshore Fund and the Offshore Fund are collectively referred to as the “Sivik Feeder Funds” in this Firm Brochure.

The Sivik Funds are privately offered only to “qualified purchasers”, as defined in the Investment Company Act of 1940 (the “1940 Act”), and certain knowledgeable employees as defined in Rule 3c-5 of the 1940 Act. All investors in the Partnerships must also be “accredited investors” as defined in the Securities Act of 1933.

#### ***Sivik Funds***

The following summaries describe each of the Sivik Funds.

##### **Master Fund**

The Master Fund was launched on April 1, 2016 and both the Onshore Fund and Offshore Fund transferred all their assets in-kind, cash and liabilities to the Master Fund. The Master Fund was formed to make investment management of the Sivik Funds more efficient and minimize performance differences between the Onshore Fund and the Offshore Fund. All formation costs related to the launch of the Master Fund were absorbed by the Investment Manager, including legal fees, registration fees and other related expenses.

### Onshore Fund

The Onshore Fund launched in July 2001. In July 2013, management was transferred to Sivik and the fund was re-named Sivik Healthcare Partners, L.P. and was formerly Traxis-Sivik Healthcare Onshore Fund, LP. The Onshore Fund's investment objective is to achieve consistent and high positive returns through investments primarily in equity securities as well as other equity-related instruments (including, but not limited to, convertible securities and options) of healthcare companies globally. The Onshore Fund invests almost all its assets into the Master Fund.

### Offshore Fund

The Offshore Fund launched in July 2001. In July 2013 management was transferred to Sivik and the fund was re-named Sivik Healthcare Offshore Fund, LTD and was formerly Traxis-Sivik Healthcare Offshore Fund, LTD. The Offshore Fund's investment objective is to achieve consistent and high positive returns through investments primarily in equity securities as well as other equity-related instruments (including, but not limited to, convertible securities and options) of healthcare companies globally. The Offshore invests almost all its assets into the Master Fund.

Sivik Global Partners, LLC (the "General Partner") is the general partner of the Onshore Fund and the Master Fund.

Prior to investing into Sivik Feeder Funds, investors receive a confidential private placement offering memorandum, which contains a more detailed description of the types of investments in which Sivik may cause these funds to invest and the corresponding risks associated with those investments, fees, service providers, conflicts, tax considerations, trading and other information.

The Adviser has full discretion over all investment decisions and each Sivik Fund is managed consistent with its investment objectives, guidelines and restrictions, if any, summarized in its offering documents. We do not permit Fund investors to impose limitations on the investment activities described in such documents.

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

### Onshore Fund

Sivik is paid an annual management fee earned for providing investment management services to the Onshore Fund (the "Management Fee"). The Management Fee is payable quarterly in advance. Specifically, the total amount of the Management Fee calculated with respect to each limited partner will be calculated at an annual rate of 1.5% (0.375% per quarter) of the value of such limited partner's capital account balance, except that capital contributions made by Partners prior to April 1, 2008 are subject to a Management Fee at an annual rate of 1% per annum (0.25% per quarter). The Management Fee may

be lowered or waived for certain investors of the funds, which include but are not limited to, significant investors and employees of Sivik or its affiliates.

The General Partner is entitled to receive performance allocations equal to 20% of any net profits (subject to a high-water mark) allocable to each investor in the Fund (the “Performance Allocation”). For purposes of calculating the Performance Allocation, the amount of net profits shall appropriately take into account any fees or expenses (including the Management Fee) paid by the Funds’ investors.

Any Performance Allocation received will conform to the requirements of Section 205 of the Advisers Act and Rule 205-3 under the Advisers Act. The Performance Allocation may be lowered or waived for certain investors of the fund, which include but are not limited to, significant investors and employees of Sivik or its affiliates. The Performance Allocation is payable in arrears at the end of each Investment Period, defined as, with respect to an investor’s interest, the period that will close upon the occurrence of either (a) the last business day of each fiscal year; (b) the date immediately prior to the effective date of any investor’s withdrawal of all or a portion of its interest, or (c) the date of the partnership’s dissolution.

#### Offshore Fund

Sivik is paid an annual Management Fee earned for providing investment management services to the Fund. The Management Fee is payable quarterly in advance. Specifically, the total amount of the Management Fee is at an annual rate of 1.5% (0.375% per quarter) of the net asset value of each Sub-Class 2 Shareholder’s outstanding Sub-Class 2 Shares as of the first Business Day of each quarter. The Fund will pay the Investment Manager a management fee for Sub-Class 1 Shares at an annual rate of 1.25% per annum (0.3125% per quarter) of the net asset value of each Sub-Class 1 Shareholder’s outstanding Sub-Class 1 Shares as of the first Business Day of each quarter). The actual fee paid by a redeeming investor will be proportional to the actual time the investment was held by the Adviser in a discretionary capacity. For example, in the case of an investor redeeming one month prior to the end of a calendar quarter, they would be charged two months of management fees. The Management Fee may be lowered or waived for certain investors of the funds, which include but are not limited to, significant investors and employees of Sivik or its affiliates.

Sivik is entitled to receive performance allocations equal to 20% of any net profits (subject to a high-water mark) allocable to each class of shares in the Fund. For purposes of calculating the Performance Allocation, the amount of net profits shall appropriately take into account any fees or expenses (including the Management Fee) paid by the funds’ investors.

Any Performance Allocation received will conform to the requirements of Section 205 of the Advisers Act and Rule 205-3 under the Advisers Act. The Performance Allocation may be lowered or waived for certain investors of the fund, which include but are not limited to, significant investors and employees of Sivik or its affiliates. The Performance

Allocation is payable in arrears at the end of each Investment Period, defined as, with respect to an investor's interest, the period that will close upon the occurrence of either (a) the last business day of each fiscal year; (b) the date immediately prior to the effective date of any investor's withdrawal of all or a portion of its interest, or (c) the date of the partnership's dissolution.

#### Master Fund

Sivik is not entitled to any fees from the Master Fund, however, all Management Fees and Performance Allocations are first calculated at the Sivik Feeder Funds, then such calculated Management Fees and/or Performance Allocations are then transferred to Sivik from the Master Fund. Any transfers to Sivik from the Master Fund are then allocated back to the Onshore Fund and Offshore Fund respectively.

#### Additional Information

##### Investors

Investors who wish to participate in the Sivik Funds are generally required to invest an initial minimum amount of \$500,000. Additional subscriptions by existing investors will be accepted in minimum amounts of \$100,000. The minimum initial and additional investments may be reduced by the Funds, or its General Partner (if applicable), with respect to certain investors or classes of investors. Investors will be required to certify that the interest in the Fund subscribed for is being acquired directly or indirectly for the account of an "accredited investor" as defined in Regulation D under the Securities Act of 1933 and a "qualified purchaser" as defined in section 2(a) (51) of the 1940 Act.

Modification of Fees for Certain Investors: The Management Fees and the Performance Allocations payable with respect to investor interests owned by investors who are principals or "knowledgeable employees" of Sivik or its affiliates, members of the immediate families of such persons, significant investors may be waived, reduced, or calculated differently than the management fee and performance allocation or payable by other investors with the same investor interests.

Side Letters: The Firm reserves the right to waive or impose different fees or otherwise modify the fee arrangements, transparency, liquidity or terms of the offering of an existing Investor with the consent of such Investor.

As noted above, Sivik fees may be negotiable in certain circumstances. More specifically, Sivik may enter "side letters" with certain investors that lower or waive a Fund's Management Fee or Performance Allocations. The side letters also may provide certain investors with more favorable liquidity terms, as well as more frequent and detailed reporting of the securities and other financial instruments held by a fund.

Termination of Advisory Relationship: The investment management agreements for the Funds are generally terminable by either party upon notice to the other party. Upon

termination of any investment management agreement, any prepaid, unearned fees will be promptly refunded.

Withdrawals from a Fund: Investors in each fund are directed to the applicable Offering Documents for information regarding withdrawals of their investment. Typically, Sivik requires prior written notice for withdrawal of all or a portion of an investor's investment. Withdrawals are permitted only on or after a specific date (sometimes referred to as the Redemption Date in the Offering Documents) and on the anniversary of each Redemption Date. Withdrawals may be subject to investors maintaining a capital account retention amount, which requirement may be waived or reduced by the General Partner or the Firm.

Expenses: In consideration for the management fee, the Adviser provides to the Sivik Funds' office space, utilities, news, computer equipment and services, secretarial, clerical and other personnel. Each fund bears its own expenses, as described in the Offering Documents. For more information about brokerage and transaction costs, see Item 12 – Brokerage Practices.

Mutual Fund / ETF Fees and Expenses: It is anticipated that money market funds and exchange-traded funds (ETFs) will be typically included as investments within the Sivik Funds. It is expected that money market mutual funds may be used to 'sweep' unused cash balances until they can be appropriately invested, and from time to time, clients should recognize that all fees paid to Sivik for investment advisory services are separate and distinct from the fees and expenses charged by mutual funds or ETFs to their shareholders. These fees and expenses are described in each mutual fund's or ETF's prospectus or summary disclosure.

These fees will generally include a management fee, other fund expenses, and a possible distribution fee. Additionally, mutual funds may impose a contingent deferred sales charge (CDSC) or redemption fee if shares are redeemed within a short time period, usually within 30, 60 or 90 days from the date of purchase. The CDSC or redemption fee is generally one percent.

An investor could invest in mutual funds or ETFs directly, without the services of Sivik. In that case, the investor would not receive the services provided by Sivik, which are designed, among other things, to identify mutual funds or ETFs, which are more appropriate in light of the Sivik Fund's objectives, needs, and circumstances. Accordingly, investors and clients should review the fees charged by the funds and ETFs in which Sivik Funds invests in evaluating the costs of the services being provided.

Advisory Fees Generally: Similar advisory services may (or may not) be available from other investment advisers for similar or lower fees.

Valuation of Investments: The market value of investments held by the Sivik Funds is determined as provided in each funds' Offering Documents. Market value is generally determined by the general partner or board of directors of each Sivik Fund. Sivik and the



Sivik Funds have adopted detailed procedures relating to the valuation of their investments, and investors and prospective investors should review the relevant Offering Documents for complete information. The general partner or board of directors of each Sivik Fund has overall responsibility for the valuation of assets; however, the general partner or board of directors has delegated its responsibilities related to the calculation of net asset value and the pricing of Sivik Fund assets to its administrator, IFS.

Generally, equity and ETF securities that are listed on a securities exchange (including such securities when traded in the after-hours market) will be valued at their last sales prices on the date of determination on the primary securities exchange on which such securities will have traded on such date, or if trading in such securities on the primary securities exchange on which such securities shall have traded on such date was reported on the consolidated tape, their last sales prices on the consolidated tape (or, in the event that the date of determination is not a date upon which a securities exchange was open for trading, on the last prior date on which such securities exchange was so open).

Equity securities that are not listed on an exchange but are traded over-the-counter will generally be valued at last trade, if applicable, or mid-market unless included in the NASDAQ National Market System, in which case they will be valued based upon their last sales prices (if such prices are available). Securities not denominated in U.S. dollars will be translated into U.S. dollars at prevailing exchange rates as the administrator, general partner or board of directors may reasonably determine.

Securities that are not listed on an exchange, are not traded over-the-counter and for which external pricing sources are not readily available shall be valued by the administrator, general partner or board of directors at fair value based on a relative value assessment process that incorporates current market conditions and capital structures of other securities where data is more readily available or other information that the administrator, general partner or board of directors deems appropriate.

Securities for which no such market prices are available (including without limitation, Special Investments) will be carried on the books of the Fund at fair value (which may be cost or other amount) as determined by the administrator, general partner or board of directors.

If the General Partner or board of directors determines that the valuation of any investment pursuant to the valuation procedures set forth above does not fairly represent market value, the general partner or board of directors will value such investment as it determines in its discretion and will set forth the basis of such valuation in writing in the Funds records.

Personal Investments in Funds: Certain executive officers and/or other employees of Sivik have invested or may invest a portion of their personal net worth in one or more of the Funds.

Different Fee Schedules: Sivik, and any affiliate's fees, including any Performance

Allocation, may be discounted or waived with respect to any investor for any particular period at the sole discretion of Sivik or any General Partner, as applicable. This discounted rate or waiver is not available to all or even most investors in the Funds.

General: Prospective investors should refer to the appropriate offering and organizational documents for additional important information, terms, conditions and risks involved with investing in the Funds.

## **Item 6. Performance-Based Fees**

### *Performance Based Fees*

With respect to any fund, all profit allocations described above are based on the net realized and unrealized gains, income and appreciation of the respective account over a twelve-month period. In general, pursuant to the loss carry forward provision, if the account value depreciates in any such period, no Performance Allocation may be earned or made in subsequent periods unless and until the account is restored to its former value (less the advisory fees previously paid and adjusting for new deposits into and withdrawals from the account). All profit allocations are charged in compliance with all applicable requirements of Section 205(b) of the Advisers Act and Rule 205-3 promulgated by the SEC.

Clients should be aware that performance allocation arrangements may create an incentive for an investment adviser to make investments that are more speculative than would otherwise be the case in the absence of a Performance Allocation and that, under Sivik Performance Allocation arrangements, the adviser may receive increased compensation with respect to unrealized appreciation as well as actual, realized capital gains.

Clients should also be aware that investment management fees lower than those offered by Sivik may be available from other sources.

Since we endeavor always to put the interests of our clients first as part of our fiduciary duty as a registered investment adviser, we take the following steps to address these conflicts:

1. We disclose to investors and prospective clients the existence of material conflicts of interest, including the potential for our firm and its employees to earn more compensation from some clients than others;
2. We collect, maintain and document accurate, complete and relevant investor background information to ensure that investment in the subscribed fund is appropriate for the investor's financial goals, objectives and risk tolerance and that the investor is qualified to invest;
3. We have implemented policies and procedures for fair and consistent allocation of investment opportunities among all funds, subject to the fund's/client's

- underlying strategy, cash availability, availability of interests in the underlying funds and other appropriate considerations;
4. We periodically compare holdings and performance of all accounts with similar strategies to identify significant performance disparities indicative of possible favorable treatment;
  5. We educate our employees regarding the responsibilities of a fiduciary, including the equitable treatment of all clients, regardless of the fee arrangement.

Performance-based fees will only be charged in accordance with the provisions of Rule 205-3 of the Investment Advisers Act of 1940 and/or applicable state regulations.

#### **Item 7. Types of Clients**

Sivik currently only provides investment advice to the Sivik Funds, that all are pooled into one fund the Master Fund. Investors in the Sivik Funds advised by Sivik may include: individuals, pension and profit sharing plans, trusts, estates, charitable organizations and corporations or other business entities other than those listed above. Investors who wish to participate in the Sivik Funds are generally required to invest an initial minimum amount of \$500,000. If the account size falls below the minimum requirement due to market fluctuations only, a client will not be required to invest additional funds with Sivik to meet the minimum account size.

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

The Sivik Funds' investment strategies are rooted in a rigorous bottom up research process which is designed to identify mispriced securities in the healthcare sector with a focus on investment ideas with an investment horizon of 6-18 months. As part of the investment process, Sivik meets with the management of various companies, speaks with physicians, hires consultants, as well as attends various medical and regulatory meetings. In addition to leveraging proprietary research capabilities and expertise, the investment manager utilizes active risk management focused on diversification, market exposure, and liquidity. The investment manager will generally limit exposure to any individual stock to approximately 7% and limit aggregate exposure to biotechnology to approximately 30% of the net asset value of the portfolio. In order to generate incremental returns, Sivik will trade around its core positions. Additionally, macro-economic factors such as incremental changes in a country's growth rates, and the corresponding effects on corporate earnings, credit default rates and inflation are utilized to guide overall exposure levels.

Sivik manages the portfolio to be tax efficient when possible, but other factors, such as market forces, may dictate otherwise. The Sivik Funds will attempt to maximize after tax returns for its U.S. based investors by relieving appropriate tax lots and by realizing long term capital gains whenever possible.

## *Investment Strategies*

**Idea Generation:** The largest value creation in healthcare tends to be at pharmaceutical, biotechnology, healthcare services and medical device companies with significant intellectual property that can change the current treatment paradigm or to treat illnesses that cannot be treated adequately. Sivik seeks to evaluate products in the pipelines of these companies with a view to determining whether market expectations of potential revenues are too high or too low. Another factor in determining the attractiveness of an investment position is valuation relative to other companies in the sector as well as the attractiveness of the healthcare sector relative to the overall market.

Positions may include a combination of equity and equity-related securities (including convertible securities and options), fixed income securities (both corporate and governmental), exchange traded funds and other financial instruments. The Sivik Funds may engage in currency hedging in connection with its non-U.S. positions. The Sivik Funds may also invest in securities which are not publicly traded, but which Sivik expects to be registered for sale to the public or otherwise available for resale. These securities will typically be those of “late stage” private companies and will generally comprise less than 10% of the Partnership’s assets (measured at the time of each purchase).

Other than as stated above, Sivik is not limited with respect to the types of investment strategies it may employ or geographic regions in which it may invest. The Sivik Funds may utilize leverage and borrow or lend securities through repurchase and reverse repurchase transactions or use over-the-counter derivative instruments or securities or baskets of securities as part of its investment program. Over time, healthcare markets change and Sivik will seek to capitalize on attractive opportunities wherever they might be. Derivative instruments may be used both as independent profit opportunities and to hedge existing long and short positions. These positions permit the Sivik Funds to take an opportunistic approach to investing, especially in volatile markets. Sivik’s investment program emphasizes active management of the portfolio; provided, however, that Sivik may invest in investment funds from time to time.

Sivik intends to invest in companies with various market capitalizations (i.e., small, medium, large and mega capitalizations), though it generally invests in companies with market capitalizations of over \$250 million. Investments in smaller or lesser known companies can involve greater risks than large well-known companies with greater market liquidity. Sivik has not established standards for diversification of investments. Portfolio holdings may be concentrated in those companies which, in light of investment considerations, market risks and other factors, Sivik believes provide an opportunity for the maximum potential capital appreciation.

As discussed above, when deemed appropriate by Sivik, the Sivik Funds may utilize leverage in its investment program through the purchase of securities on margin, short sales or otherwise. The use of leverage enables the Sivik Funds to increase its buying

power and take advantage of a greater number of undervalued situations than would be the case if leverage were not used. The use of leverage has certain attendant risks more fully explained in the offering documents. Unlike many conventionally managed portfolios, the Sivik Funds may sell securities short, purchase puts and write uncovered calls to capitalize on perceived opportunities relating to securities which Sivik believes to be improperly priced by the market. Sivik views the use of such techniques as independent profit opportunities for the Sivik Funds and an integral part of its investment program. Further, short sales and options may be used to serve as a degree of protection for the Sivik Funds' long positions in a declining market. The Sivik Funds may also use futures and forward contracts involving financial instruments and options thereon.

**Investing in securities involves risk of loss that clients and investors should be prepared to bear.**

***Certain Risk Factors***

An investment in each Sivik Fund is speculative and involves a high degree of risk. There can be no assurance that the investment objectives of any Sivik Fund will be achieved or that an investment in an Sivik Fund will generate positive returns. The Sivik Funds have substantial limitations on investors' ability to withdraw or transfer their interests, and no secondary market for the Sivik Funds' interests/shares exists or is expected to develop. In managing the Sivik Funds, Sivik utilizes investment techniques including short selling, the use of leverage and trading in derivatives, that involve significant risks. All of these risks, and other important risks, are described in detail in the Sivik Funds' respective confidential offering memoranda. Prospective investors are strongly urged to review the applicable confidential offering memorandum carefully and consult with their own financial, legal and tax advisers before investing in a Sivik Fund.

**Item 9. Disciplinary Information**

Our firm and its principals have no reportable disciplinary, regulatory or legal events to disclose.

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

Sivik is affiliated with the General Partner, the entity which manages the Onshore Fund and the Master Fund..

The Sivik professionals devote substantially all their efforts and time to the activities of the Sivik Funds, which are currently the only Sivik clients.

## **Item 11. Code of Ethics, Participation in Client Transactions and Personal Trading**

Sivik has adopted a Code of Ethics, which sets the highest standards of ethical conduct for all Sivik professionals with a primary principle of always placing clients' interests first and avoiding or disclosing any actual or potential conflicts of interests.

Our firm's Code of Ethics also requires compliance with applicable federal securities laws. Our Code of Ethics includes policies and procedures for the review of quarterly securities transactions reports as well as initial and annual securities holdings reports that must be submitted by the firm's access persons.

Among other things, our Code of Ethics restricts employees and managing members of the Firm from investing in healthcare companies without the pre-approval of the Chief Compliance Officer; provided however that broad based baskets of healthcare stocks (e.g. XLV, IBB) are acceptable as personal investments. The Code of Ethics provides for oversight, enforcement and recordkeeping. Further, the Code of Ethics includes the firm's Insider Trading Policy which prohibits the misuse of material nonpublic information, i.e., inside information.

As disclosed in Item 5 of this brochure, certain executive officers and/or other employees of the Firm have invested or may invest a portion of their personal net worth in one or more of the Sivik Funds.

It is the expressed policy of our Firm that no person employed by us may appropriate an investment opportunity which may be appropriate for the Sivik Funds without prior review and approval, particularly when there is limited availability for participation in the opportunity.

As these situations represent a conflict of interest, we have established the following additional restrictions to ensure its fiduciary responsibilities:

1. No officer or employee of our firm may prefer his or her own interest to that of an advisory client.
2. We maintain records of securities holdings and transactions for our firm and anyone associated with this advisory practice with access to advisory recommendations. These holdings are reviewed on a periodic basis by the Chief Compliance Officer.
3. All of our principals and employees must act in accordance with all applicable Federal and State regulations governing registered investment advisory practices.
4. Any individual not in observance of the above may be subject to disciplinary action up to and including termination.

## **Item 12. Brokerage Practices**

### ***Selection of Broker-Dealers***

Sivik is responsible for the placement of the portfolio transactions of the Sivik Funds and the negotiation of any commissions or spreads paid on such transactions. Portfolio securities normally will be purchased through brokers on securities exchanges or directly from the issuer or from an underwriter or market maker for the securities. Purchases of portfolio instruments through broker-dealers involve a commission to the broker-dealers. Purchases of portfolio securities from broker-dealers serving as market makers include the spread between the bid and the asked price. Securities transactions will be executed by broker-dealers selected by Sivik in its sole discretion. Sivik will seek best execution, and evaluate brokers, for all Sivik Fund transactions taking into account a variety of factors, including the following: the ability to effect prompt and reliable executions at favorable prices; the operational efficiency with which transactions are effected; the financial strength, integrity and stability of the broker; the quality, the competitiveness and frequency of available research services considered to be of value; and the competitiveness of commission rates in comparison with other brokers satisfying Sivik's other selection criteria.

We periodically evaluate the execution that we are receiving from brokers. In conducting our analysis, we may consider the factors listed above, among others, and will review gifts and entertainment received, and any known conflicts of interests (e.g., directing commissions to a broker that a family member is employed).

### ***Research and Brokerage / Soft Dollar Practices***

We enter into soft dollar arrangements with brokers. Soft dollar arrangements arise when an investment adviser obtains products and services, other than securities execution, from a broker in return for directing client securities transactions to the broker. Soft dollar arrangements pose a conflict of interest for us in that such arrangements allow us to pay with client commissions expenses that would otherwise be borne by us. When we use client brokerage commissions to obtain research or other products or services, we receive a benefit because we do not have to produce or pay for the research, products or services. We have a potential incentive to select a broker based on our interest in receiving the research or other products or services offered by such broker, rather than on our clients' interests in receiving most favorable execution.

When engaging in soft dollar transactions, we comply with the safe harbor requirements of Section 28(e) of the Exchange Act. Under this provision, in exercising our discretionary authority to select or arrange for the selection of brokers for execution of transactions for our clients, and, subject to our duty to obtain best execution, we may consider the value of research and brokerage products and services provided by such brokers. Accordingly, if we determine in good faith that the amount of commissions charged by a broker is reasonable in relation to the value of the brokerage and products or

services provided by such broker, a client may pay commissions to such broker in an amount greater than the amount another broker might charge.

Where a product or service obtained with client commission dollars provides both research and non-research assistance to us, we will make a reasonable allocation of the cost which may be paid for with client commission dollars.

We also execute securities transactions on behalf of the Funds with broker-dealers that provide us with access to proprietary research reports (such as standard investment research and credit reports). To our knowledge, these services are generally made available to all institutional investors doing business with such broker-dealers. These bundled services are made available to us on an unsolicited basis and without regard to the rates of commissions charged or paid by clients or the volume of business that we direct to such broker-dealers.

During our last fiscal year, we acquired research (such as proprietary research, and corporate access from brokers) with client brokerage commissions.

### ***Initial Public Offerings***

From time to time as permitted by applicable Sivik Funds documents, Sivik may purchase securities that are part of an initial public offering ("IPOs") or new issues in accordance with applicable Financial Industry Regulatory Authority ("FINRA") rules. FINRA rules prohibit certain "Restricted Persons" from participating in IPOs or new issues. Therefore, the profits and losses from IPOs or new issues will generally be allocated to Investors in the Sivik Funds that are not Restricted Persons. Nevertheless, Sivik may avail itself of a "de minimis" exemption pursuant to which a portion of any new issue profits and losses may be allocated to Restricted Persons.

Accordingly, the rate-of-return experienced by investors who participate fully in the profits and losses from IPOs or new issues may differ materially from that of investors who are Restricted Persons. Investors should review the respective offering document(s) of their respective Sivik Fund(s) for complete information on new issues restrictions.

## **Item 13. Review of Accounts**

### ***Portfolio Reviews***

Sivik's investment and risk management process is designed to help ensure, to the extent practicable, that the Sivik Funds will minimize potential losses during market events when prices, correlations, liquidity, credit spreads and volatility change dramatically. Sivik actively monitors and manages market risk utilizing various tools. The Sivik Funds are provided ongoing and continuous management. Most directly, the Portfolio Manager will frequently monitor various aspects of the portfolio in real time. Additionally, periodic reviews are conducted to determine the proper amount of hedging and exposure to apply to the portfolio.



Krishen Sud meets with relevant investment, risk, and operations personnel periodically to ensure that the Sivik Funds are operating under the investment, risk management and operating guidelines outlined in the offering documents.

### ***Client Reports***

Sivik and/or its service providers provide investors in the Sivik Funds, written reports regarding each fund's operations and performance. Currently, Sivik provides a year-end audited financial statement for each Sivik Fund, monthly investment letters, year-end tax information and interim communications pertaining to performance and valuation of each investor's account.

Sivik, from time-to-time, communicates with, and answers questions from, prospective and existing investors of the Sivik Funds including providing monthly or more frequent commentary on each fund's performance and more granular position exposure details on a lagged basis.

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

Currently there are no placement fee agreements in place although the Sivik Funds may retain placement agents to assist the Sivik Funds in offering and selling interests.

### **Item 15. Custody**

Because we act as investment adviser to the Sivik Funds and because we have an affiliated party which acts as general partner to the Onshore Fund and the Master Fund, Sivik is deemed to have custody of client assets under current applicable regulatory interpretations. As an adviser with custody, we will have each of the Sivik Funds 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 (PCAOB). For each of the Sivik Funds, we will send the audited financials to each investor within 120 days of each fund's fiscal year end.

### **Item 16. Investment Discretion**

As investment manager to the Sivik Funds, Sivik is granted the discretionary authority in the relevant organizational documents and/or investment management agreements to determine which securities and amounts of securities that are bought or sold, the broker-dealers to be used and the commission rates for transactions for the Sivik Funds.

If it appears that a trade error has occurred, the Adviser will review the relevant facts and circumstances to determine an appropriate course of action. To the extent that trade errors and breaches of investment guidelines and restrictions occur, the Adviser's error correction procedure is to ensure that clients are treated fairly. The Adviser has discretion

to resolve a particular error in any appropriate manner that is consistent with the above stated policy. In the event that a client account incurs a trade error as a result of the Adviser's gross negligence, willful misconduct, or fraud, trade errors will be corrected by the Adviser as soon as practicable, in a manner such that the client incurs no loss. Trade errors that result other than by breach of the standard of care above are borne by the client account.

## **Item 17. Voting Client Securities & Legal Proceedings**

### ***Proxy Voting***

Sivik has a Proxy Policy (the "Sivik Proxy Policy") which provides for the firm's proxy voting policy and practices and recognizes the firm's duty and responsibility for the voting of client proxies in the best interests of the funds. Sivik generally utilizes the services of Proxy Edge (a product of Broadridge Financial Solutions, Inc), a "Proxy Voting Service" to record and vote proxies. The full policy is available to clients upon request by contacting the Adviser using the contact details on the cover of this brochure.

### ***Legal Proceedings***

Investors should note that Sivik may advise or act on behalf of any Sivik Fund in legal proceedings involving companies whose securities are held or previously were held by a Sivik Fund, including, but not limited to, the filing of "Proofs of Claim" in class action settlements.

## **Item 18. Financial Information**

As a matter of firm policy and practice, our firm will not charge or earn advisory fees in excess of \$1,200 more than six months in advance of the services rendered.

Also, our firm and its principals have no financial events or proceedings to disclose.

## **Item 19. Requirements for State-Registered Advisers**

Sivik is not a state-registered adviser.