

**Part 2A of Form ADV  
(the “Brochure”)**

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This Brochure provides information about the qualifications and business practices of The Future Fund LLC (“**Future Fund**” or the “**Manager**”). If you have any questions about the contents of this Brochure, please contact David Kalis, the Manager’s Chief Compliance Officer (“**CCO**”), at (312) 825-1280 or [David.kalis@futurefundadvisors.com](mailto:David.kalis@futurefundadvisors.com). The information in this Brochure has not been approved or verified by the United States Securities and Exchange Commission (the “**SEC**”) or by any state securities authority.

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

Any reference to Future Fund as a registered investment adviser does not imply a certain level of skill or training.

**Item 2. Material Changes**

This item is inapplicable given that this is the initial filing of the Future Fund's Form ADV Part 2A.

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

##### **Item 4.A.**

Future Fund is an investment adviser organized as a limited liability company under the laws of the State of Illinois with its principal place of business in Chicago, Illinois. Future Fund was co-founded in January 2021 by Gary Black, the Manager's Co-Managing Partner and principal owner (the "**Principal**") and David Kalis, the Manager's CCO and Co-Managing Partner.

##### **Item 4.B.**

Future Fund is a research-driven investment adviser providing portfolio management services to private pooled investment vehicles, high net worth individuals, institutional clients and registered investment companies registered under the Investment Company Act of 1940, as amended (the "**Investment Company Act**").

Future Fund provides investment advisory services on a discretionary basis to a privately offered pooled investment vehicle, Future Fund Long/Short, LP (the "**Fund**"), separately managed accounts ("the **Separate Accounts**") and an exchange-traded fund, the Future Fund Active ETF (the "**ETF**" or collectively with any future registered exchange-traded funds, the "**ETFs**"). Together the Fund, Separate Accounts, ETF, and any other clients managed in the future each are a "**Client**" and collectively are the "**Clients**".

Future Fund Advisors, LLC (the "**General Partner**"), an affiliate of Future Fund, serves as the general partner to the Fund. Investors in the Fund are referred to as ("**Limited Partners**").

The Manager's investment advisory services focus on advice related to investments, generally including both long and short, primarily in publicly traded equity securities. As discussed in the relevant Governing Documents (as defined below), the Clients may also invest in other types of securities and may engage in other investment strategies so long as doing so does not interfere with achieving the stated and agreed upon investment objective of each such Client.

##### **Item 4.C.**

The Manager's advisory services to the ETF are provided pursuant to the terms of the prospectus.

The Manager's advisory services are provided to the Fund or Separate Accounts pursuant to the terms of each Client's private placement memorandum, operating agreement, limited partnership agreement, and/or investment management agreement, as applicable (collectively, the "**Governing Documents**") and based on the specific investment objectives and strategies as disclosed therein. Clients may impose restrictions on investing in certain types of securities in accordance with the terms of each Governing Document.

Separate Account Clients can receive customized services based upon the return expectations, tolerance for risk and volatility, and the need for liquidity. Please refer to Item 8A for a description of the investment strategies utilized.

##### **Item 4.D.**

Future Fund does not participate in, nor does it sponsor, wrap fee programs.

#### **Item 4.E.**

As of March 31, 2021, Future Fund managed \$40,000,000 in Client regulatory assets under management, all of which on a discretionary basis.

*See Item 8 of this Brochure for a more detailed discussion of the Clients' investment strategies.*

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

##### **Item 5.A.**

###### The Fund

###### *Management Fee*

For the services that Future Fund provides to the Fund, it receives a fixed management fee, calculated monthly as of the last day of each calendar month, in an amount equal to an annual rate ranging from 1.0% to 1.5%, depending on Class Interest (as defined in the applicable Governing Documents), of the net asset value of the capital account of each Limited Partner. This management fee is calculated and paid monthly in arrears as of the last day of each calendar month. The Manager may waive all or part of the Fund's management fee otherwise due with respect to any investor in the Fund including, without limitation, its affiliates, members, and/or employees. Further details regarding the Fund's management fee are contained in the Fund's Governing Documents.

###### *Performance-Based Compensation*

The General Partner receives a performance-based fee from Limited Partners of the Fund in an amount equal 15% of net eligible profits (including unrealized gains) (the "**Incentive Allocation**"). For certain classes of interests, the Incentive Allocation may be subject to a loss recovery provision. The Manager may waive all or part of the Incentive Allocation with respect to any investor including, without limitation, its affiliates, members, and/or employees.

Further details regarding Fund's Incentive Allocation are contained in the Fund's Governing Documents.

###### The ETF

###### *Management Fee*

Future Fund will charge the ETF an annual management fee before waiver of 0.75% based on the ETF's average daily net assets, as described in further detail in the ETF's prospectus and the ETF's advisory agreement with the Manager. The ETF's management fee is computed daily and payable monthly.

###### *Performance-Based Compensation*

The Manager will not receive a performance-based fee from the ETF.

###### The Separate Accounts

The Manager does not have a standard fee schedule for Separate Accounts. Separate Accounts management fees are negotiable and may differ from client to client. Any management fees received by Future Fund

with respect to Separate Accounts are calculated and paid in accordance with each Separate Account's governing documents.

#### *Performance-Based Compensation*

For certain Separate Accounts, Future Fund is entitled to receive a quarterly performance fee (the “**SMA Fee**”) which is calculated at each calendar quarter-end upon any withdrawal from the Separate Account and upon termination of the advisory agreement between Future Fund and the Separate Account. The SMA Fee is 10% of the net quarterly profits of each Separate Account exclusive of the performance of any underlying asset for the overlay strategy and subject to a high-water mark. The initial high-water mark shall be the value of each Separate Account from the inception date. The high-water mark shall be adjusted for any contributions or withdrawal from each Separate Account.

#### **Item 5.B.**

The ETF's management fee is deducted from it. The Fund's management fee and Incentive Allocation is deducted from the capital accounts of the Limited Partners at the frequency described in Item 5.A. Any management fee or performance-based compensation paid by the Separate Accounts is deducted, in accordance with each Separate Account's Governing Documents.

#### **Item 5.C.**

Future Fund renders services to Clients at its own expense and is responsible for overhead costs including compensation of the Manager's officers and employees, general overhead, office rent and salary expenses.

The ETF is responsible for its own operating expenses. In addition to investment advisory fees, the ETF pays other expenses including costs incurred in connection with the maintenance of securities law registration, printing and mailing prospectuses and statements of additional information to shareholders, certain financial accounting services, taxes or governmental fees, custodial, transfer and shareholder servicing agent costs, expenses of outside counsel and independent accountants, preparation of shareholder reports and expenses of trustee and shareholders meetings. For further details regarding the expenses of the ETF, see the ETF's prospectus.

The Fund is responsible for the ordinary and necessary expenses of its organization and operation including, without limitation, brokerage commissions, research expenses, investment and research-related travel costs, data provider expenses, trading costs and other investment-related expenses, legal and auditing expenses, accounting fees, fund administration expenses, custody fees and expenses, insurance premiums of the Fund, expenses incurred with respect to the preparation of annual reports and other financial information, subscription fees, and other ongoing operational or service provider expenses.

The Manager may, in its sole discretion, elect to assume certain of the expenses of the Fund on an ongoing basis, and to no longer assume such expenses at any time in its sole discretion.

Any expenses paid by the Separate Accounts are set forth in each Separate Account's Governing Documents and include brokerage and certain other transaction costs.

*See Item 12 of this Brochure for a more detailed discussion of Future Fund's brokerage practices.*

#### **Item 5.D.**

Management fees are generally paid monthly in arrears. Clients do not prepay fees.

### **Item 5.E.**

Neither Future Fund nor its supervised persons (used throughout this Brochure in accordance with the definition of “supervised person” under the Investment Advisers Act of 1940 (the “**Advisers Act**”)) are compensated for the sale of securities or other investment products.

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

The Manager is entitled to receive the Incentive Allocation, as described in Item 5 above. Supervised persons manage accounts that, in addition to the Fund which charges the Incentive Allocation, also manages accounts that do not charge an Incentive Allocation but do charge an asset-based management fee. The Incentive Allocation may potentially incentivize the Manager to make riskier or more speculative investments on behalf of a Client than those which would be recommended under a different fee arrangement. In addition, this arrangement may cause Clients to pay a greater expense than if such fees were not charged. Notwithstanding this potential incentive, Future Fund will evaluate investments in a manner that it considers to be in the best interest of Clients. To the extent that there may be differences in Future Fund’s compensation arrangements with different Clients, such circumstances could create an incentive for Future Fund to manage Client portfolios so as to favor a portfolio that pays performance-based compensation over one that did not. Notwithstanding this conflict, Future Fund will allocate transactions and opportunities among the Clients’ accounts in a manner it believes to be equitable.

### **Item 7: Types of Clients**

Future Fund generally provides discretionary investment advice to registered investment companies, high-net worth individuals, trusts, institutional clients and pooled investment vehicles. There are certain requirements for investing in certain of these Clients as discussed in detail in the applicable Governing Documents. Investors in a pooled investment vehicle, such as the Fund, generally must be (i) “accredited investors” (as defined in Regulation D under the Securities Act of 1933); and (ii) “qualified purchasers” (as defined in the Investment Company Act). In addition, Fund investors must invest a minimum of \$1 million, which may be waived or reduced by the General Partner in its sole discretion.

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

#### **Item 8.A.**

In general, Future Fund provides investment advisory services regarding liquid global markets, including domestic and international equities, fixed income, commodities and currencies and their respective derivative markets. When implementing the investment strategies, Future Fund seeks to identify inflections in multi-year trends caused by secular changes in technology, consumer preferences, demographics, regulatory conditions, environmental conditions and supply/demand dynamics that can lead to significant improvement of a company’s earnings potential and re-rating of the company’s equity value. The Manager applies a rigorous, research-driven process for analyzing companies across sectors and themes to create a repeatable and methodical decision-making process that seeks to generate significant excess return over a benchmark. General descriptions of Future Fund’s investment strategies are included below. Certain strategies may be available only in certain channels or through a purchase of shares of registered investment companies or private investment funds.

#### *Future Fund Long/Short*

Future Fund seeks to create a concentrated, high-conviction portfolio, with low to moderate turnover. The

Fund generally invest both long and short investments in equities, fixed income securities, commodities, derivatives and similar instruments both in the United States and outside of the United States. Presently, the Fund seeks exposure primarily to companies the Manager believes will benefit significantly from advances in technology. The Fund may change its focus at any time and may invest in other sectors or industries. From time to time, the Fund may be concentrated in one sector, industry, geographic region or asset class.

#### *The Future Fund Active ETF*

The ETF uses a long-term approach to investing that typically results in low to moderate portfolio turnover, however, may take a more active approach to the portfolio, depending upon market conditions. The ETF will generally invest at least 80% of its assets in U.S. exchange-listed equity securities and American Depositary Receipts (ADRs) of companies that the Manager believes to be best positioned to take advantage of emerging economic, technological or social developments. Future Fund seeks to identify potential opportunities created by changes in technology, consumer preferences, demographics regulatory, environmental and supply/demand dynamics that unfold over long periods of time and the companies that can significantly benefit from such trends. Future Fund then analyzes those companies across sectors and themes to try to identify for investment those companies it believes to be thematic winners with reasonable valuation or thematic losers or that have a combination of weakening fundamentals and excessive valuation.

#### *Individual Separately Managed Accounts Strategies*

Separate Account methods of analysis and investment strategies vary from account to account and are described in each Separate Account's Governing Documents.

#### **Item 8.B. and Item 8.C**

As with all investments, there is the risk that an investor in a strategy managed by Future Fund could lose money in their investment account. These strategies are not intended to be a complete investment program but rather one component of a diversified investment portfolio. Many factors affect the net asset value and performance. The risks associated with Future Fund's investment strategies include, but are not necessarily limited to, those described below. Investors and prospective investors in the ETF, the Fund or Separate Accounts should carefully review, in addition to the risks set forth below, the prospectus or Governing Documents, as applicable, for more detailed explanations of the risks associated with their investment.

Investments managed by Future Fund involve a high degree of risk and there can be no guarantee against loss of an investor's entire investment. Accordingly, all prospective investors are urged to review carefully and consider the risks of an investment set forth below:

#### *Risks Related to Investing in the Clients*

##### ***Investment and Trading Risks***

An investor should be aware that it may lose all or part of its investment in the Clients. All investments risk the loss of capital. The Manager believes that the Clients' investment programs and research techniques moderate this risk; however, no guarantee or representation is made that the Clients' investment program will be successful, and investment results may vary substantially over time. The Clients may utilize such investment techniques as option transactions, margin transactions, short sales, limited diversification, leverage and forward contracts, which practices can, in certain circumstances, increase the adverse impact to which the Clients' portfolios may be subject.



### ***Thematic Investing Risk***

The Clients rely on the identification of securities for inclusion in the portfolio that reflect market themes and sub-themes and its performance may suffer if a theme or sub-theme develops in an unexpected manner. Performance may also suffer if the companies included in the portfolio do not benefit from the development of such themes or sub-themes.

### ***Growth Securities Risk***

The Clients may invest in companies that the Manager believes have growth potential. Securities of companies perceived to be “growth” companies may be more volatile than other stocks and may involve special risks. If the Manager’s perception of a company’s growth potential is not realized, the securities purchased may not perform as expected, reducing the Clients’ returns. In addition, because different types of stocks tend to shift in and out of favor depending on market and economic conditions, “growth” stocks may perform differently from the market as a whole and other types of securities.

### ***Diversification***

The Clients are not subject to any limits on diversification concentration. Accordingly, the Clients’ portfolios may become concentrated in particular companies or sectors, exposing the Clients to industry- or company-specific risk factors.

### ***Short Selling***

Short selling involves selling securities which are not owned by the short seller, and borrowing them for delivery to the purchaser, with an obligation to replace the borrowed securities at a later date. Short selling allows the investor to profit from a decline in market price to the extent such decline exceeds the transaction costs and the costs of borrowing the securities. The extent to which the Clients engage in short sales will depend upon the Manager’s investment strategy and opportunities. A short sale creates the risk of a theoretically unlimited loss, in that the price of the underlying security could theoretically increase without limit, thus increasing the cost to the Clients of buying those securities to cover the short position. There can be no assurance that the Clients will be able to maintain the ability to borrow securities sold short. In such cases, the Clients can be “bought in” (i.e., forced to repurchase securities in the open market to return to the lender). There also can be no assurance that the securities necessary to cover a short position will be available for purchase at or near prices quoted in the market. Purchasing securities to close out a short position can itself cause the price of the securities to rise further, thereby exacerbating the loss. Short strategies can also be implemented synthetically through various instruments and be used with respect to indices or in the over-the-counter market and with respect to futures and other instruments. In some cases of synthetic short sales, there is no floating supply of an underlying instrument with which to cover or close out a short position and the Clients may be entirely dependent on the willingness of over-the-counter market makers to quote prices at which the synthetic short position may be unwound. There can be no assurance that such market makers will be willing to make such quotes. Short strategies can also be implemented on a leveraged basis. Lastly, even though the Clients secure a “good borrow” of the security sold short at the time of execution, the lending institution may recall the lent security at any time, thereby forcing the Clients to purchase the security at the then-prevailing market price, which may be higher than the price at which such security was originally sold short by the Clients.

### ***Large-Capitalization Companies Risk***

Large-capitalization companies are generally less volatile than companies with smaller market capitalizations. In exchange for this potentially lower risk, the value of large-capitalization companies may

not rise as much as that of companies with smaller market capitalizations.

### ***Small and Medium Capitalization Companies***

The Clients' investment portfolios may include the securities of companies with small to medium-sized market capitalizations. While the Manager and its affiliates believe such securities often provide significant potential for appreciation, the securities of certain companies, particularly smaller-capitalization companies, involve higher risks in some respects than do investments in securities of larger companies. For example, prices of small-capitalization and even medium-capitalization securities are often more volatile than prices of large-capitalization securities and the risk of bankruptcy or insolvency of many smaller companies (with the attendant losses to investors) is higher than for larger, "blue-chip" companies. In addition, due to thin trading in the securities.

### ***Securities of Non-U.S. Companies***

Investments in securities of non-U.S. issuers (including non-U.S. governments) and securities denominated or whose prices are quoted in non-U.S. currencies pose, to the extent not hedged, currency exchange risks (including blockage, devaluation and non-exchangeability), as well as a range of other potential risks which could include expropriation, nationalization, confiscatory taxation, imposition of withholding or other taxes on interest, dividends, capital gains, other income or gross sale or disposition proceeds, limitations on the removal of assets and general social, political and economic instability; the relatively small size of the securities markets in such countries and the low volume of trading, resulting in potential lack of liquidity and in price volatility; the evolving and unsophisticated laws and regulations applicable to the securities and financial services industries of certain countries; fluctuations in the rate of exchange between currencies and costs associated with currency conversion; and certain government policies that may restrict the Clients' investment opportunities. In addition, less information may be available regarding securities of non-U.S. issuers, and non-U.S. issuers may not be subject to accounting, auditing and financial reporting standards and requirements comparable to, or as uniform as, those of U.S. issuers. Transaction costs of investing in non-U.S. securities markets are generally higher than in the United States. There is generally less government supervision and regulation of exchanges, brokers and issuers than there is in the United States. The Clients might have greater difficulty taking appropriate legal action in non-U.S. courts. Non-U.S. markets also have different clearance and settlement procedures which in some markets have at times failed to keep pace with the volume of transactions, thereby creating substantial delays and settlement failures that could adversely affect the Clients' performance.

### ***Non-U.S. Exchanges***

The Clients may invest in companies that trade on exchanges or markets located outside the U.S. Trading on such exchanges or markets is not regulated by the SEC and the CFTC and may, therefore, be subject to more risks than trading on U.S. exchanges, such as the risks of exchange controls, expropriation, burdensome taxation, moratoria and political or diplomatic events. Risks in investments in non-U.S. securities, futures, commodities and other financial instruments may also include reduced and less reliable information about issuers and markets, less stringent accounting standards, illiquidity of securities and markets, higher brokerage commissions and custody fees.

### ***Forward Trading***

Forward contracts and options thereon, unlike futures contracts, are not traded on exchanges and are not standardized; rather, banks and dealers act as principals in these markets, negotiating each transaction on an individual basis. Forward and "cash" trading is substantially unregulated; there is no limitation on daily price movements and speculative position limits are not applicable. The principals who deal in the forward

markets are not required to continue to make markets in the currencies or commodities they trade and these markets can experience periods of illiquidity, sometimes of significant duration. There have been periods during which certain participants in these markets have refused to quote prices for certain currencies or commodities or have quoted prices with an unusually wide spread between the price at which they were prepared to buy and that at which they were prepared to sell. Disruptions can occur in any market traded by the Clients due to unusually high trading volume, political intervention or other factors. The imposition of credit controls or price risk limitations by governmental authorities may limit such forward trading to less than that which the Manager would otherwise recommend, to the possible detriment of the Clients. In its forward trading, the Clients will be subject to the risk of the failure of, or the inability or refusal to perform with respect to its forward contracts by, the principals with which the Clients trade. Clients' assets on deposit with such principals will also generally not be protected by the same segregation requirements imposed on certain regulated brokers in respect of customer funds on deposit with them. The Manager may order trades for the Clients in such markets through agents. Accordingly, the insolvency or bankruptcy of such parties could also subject the Clients to the risk of loss.

### ***Futures Contracts***

The Clients may trade in futures contracts (and options on futures). The value of futures contracts depends upon the price of the securities, such as commodities, underlying them. The prices of futures contracts are highly volatile, and price movements of futures contracts can be influenced by, among other things, interest rates, changing supply and demand relationships, trade, fiscal, monetary and exchange control programs and policies of governments, as well as national and international political and economic events and policies. In addition, investments in futures contracts are also subject to the risk of the failure of any of the exchanges on which the Clients' positions trade or of its clearing houses or counterparties. Futures positions may be illiquid because, for example, most U.S. commodity exchanges limit fluctuations in certain futures contract prices during a single day by regulations referred to as "daily price fluctuation limits" or "daily limits." Under such daily limits, during a single trading day no trades may be executed at prices beyond the daily limits. Once the price of a contract for a particular future has increased or decreased by an amount equal to the daily limit, positions in the future can neither be taken nor liquidated unless traders are willing to effect trades at or within the limit. Futures contract prices on various commodities or financial instruments occasionally have moved the daily limit for several consecutive days with little or no trading. Similar occurrences could prevent the Clients from promptly liquidating unfavorable positions and subject the Clients to substantial losses or prevent it from entering into desired trades. In addition, the Clients may not be able to execute futures contract trades at favorable prices if trading volume in such contracts is low. It is also possible that an exchange or a regulator (such as the SEC or the CFTC) may suspend trading in a particular contract, order immediate liquidation and settlement of a particular contract or order that trading in a particular contract be conducted for liquidation only. In addition, the CFTC and various exchanges impose speculative position limits on the number of positions that may be held in particular commodities. Trading in commodity futures contracts and options are highly specialized activities that may entail greater than ordinary investment or trading risks. Furthermore, low margin or premiums normally required in such trading may provide a large amount of leverage, and a relatively small change in the price of a security or contract can produce a disproportionately larger profit or loss.

### ***Hedging Transactions***

The Clients may utilize financial instruments for risk management purposes in order to (i) protect against possible changes in the market value of the Clients' investment portfolio resulting from fluctuations in the securities markets and changes in interest rates; (ii) protect the Clients' unrealized gains in the value of the Clients' investment portfolio; (iii) facilitate the sale of any such investments; (iv) enhance or preserve returns, spreads or gains on any investment in the Clients' portfolio; (v) hedge the interest rate or currency exchange rate on any of the Clients' liabilities or assets; (vi) protect against any increase in the price of any

securities the Clients anticipates purchasing at a later date; (vii) hedge against a directional trade; or (viii) for any other reason that the Manager deems appropriate.

The success of the Clients' hedging strategy will depend, in part, upon the Manager's ability to correctly assess the degree of correlation between the performance of the instruments used in the hedging strategy and the performance of the portfolio investments being hedged. Since the characteristics of many securities change as markets change or time passes, the success of the Clients' hedging strategy will also be subject to the Manager's ability to continually recalculate, readjust and execute hedges in an efficient and timely manner. While the Clients may enter into hedging transactions to seek to reduce risk, such transactions may result in a poorer overall performance for the Clients than if it had not engaged in such hedging transactions. For a variety of reasons, the Manager may not seek to establish a perfect correlation between the hedging instruments utilized and the portfolio holdings being hedged. Such an imperfect correlation may prevent the Clients from achieving the intended hedge or expose the Clients to risk of loss. The Manager may not hedge against a particular risk because it does not regard the probability of the risk occurring to be sufficiently high as to justify the cost of the hedge, or because it does not foresee the occurrence of the risk. The successful utilization of hedging and risk management transactions requires skills complementary to those needed in the selection of the Clients' portfolio holdings.

### ***Highly Volatile Markets***

The prices of financial instruments in which the Clients may invest can be highly volatile. Price movements of forward and other derivatives contracts in which the Clients' assets may be invested 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 Clients are subject to the risk of failure of any of the exchanges on which its positions trade or of its clearinghouses.

### ***Derivatives***

The Clients may invest in, or use, derivatives to seek total return or for hedging purposes. These are financial instruments that derive their performance, at least in part, from the performance of an underlying asset, index or interest rate. The derivatives the Clients may use include, without limitation, swaps, forward foreign currency exchange contracts, interest rate futures, options on securities and options on futures contracts.

Derivatives can be volatile and involve various types and degrees of risk, depending upon the characteristics of the particular derivative and the portfolio as a whole. Derivatives permit the Clients to increase or decrease the level of risk, or change the character of the risk, to which its portfolio is exposed in much the same way as the Clients can increase or decrease the level of risk, or change the character of the risk, of its portfolio by purchasing or selling specific securities.

Derivatives may entail investment exposures that are greater than their cost would suggest, meaning that a small investment in derivatives could have a large potential impact on the Clients' performance. The risks generally associated with derivatives include the risks that: (a) the value of the derivative will change in a manner detrimental to the Clients; (b) before purchasing the derivative, the Clients will not have the opportunity to observe its performance under all market conditions; (c) another party to the derivative may fail to comply with the terms of the derivative contract; (d) the derivative may be difficult to purchase or sell; and (e) the derivative may involve indebtedness or economic leverage, such that adverse changes in the value of the underlying asset could result in a loss substantially greater than the amount invested in the derivative itself or in heightened price sensitivity to market fluctuations.

If the Clients invest in derivatives at inopportune times or if the Manager judges market conditions incorrectly, such investments may lower the Clients' return or result in a loss. The Clients also could experience losses if the Clients' derivatives were poorly correlated with its other investments or if the Clients were unable to liquidate its positions because of an illiquid secondary market. The market for many derivatives is, or suddenly can become, illiquid. Changes in liquidity may result in significant, rapid and unpredictable changes in the prices for derivatives. The assets of the Clients may be pledged as collateral in connection with swap and other derivatives transactions. Thus, if the Clients default on such an obligation, the counterparty may be entitled to some or all of the assets of the Clients as a result of the default.

Derivatives may be purchased on established exchanges or through privately negotiated transactions referred to as over-the-counter ("OTC") derivatives. Exchange-traded derivatives generally are guaranteed by the clearing agency that is the issuer or counterparty to such derivatives. This guarantee usually is supported by a daily payment system (i.e., variation margin requirements) operated by the clearing agency in order to reduce overall credit risk. As a result, unless the clearing agency defaults, there is relatively little counterparty credit risk associated with derivatives purchased on an exchange. By contrast, no clearing agency guarantees OTC derivatives. Therefore, each party to an OTC derivative bears the risk that the counterparty will default. Accordingly, the Manager will consider the creditworthiness of counterparties to OTC derivatives in the same manner as it would review the credit quality of a security to be purchased by the Clients. OTC derivatives are less liquid than exchange-traded derivatives since the other party to the transaction may be the only investor with sufficient understanding of the derivative to be interested in bidding for it.

The Clients may take advantage of opportunities in any other derivatives that are not presently contemplated for use or that are not currently available but that may be developed, to the extent such opportunities are both consistent with the Clients' investment objectives and legally permissible for the Clients.

### ***Swaps***

Investments in swaps involve the exchange by the Clients with another party of all or a portion of their respective interests or commitments. In the case of currency swaps, the Clients may exchange with another party their respective commitments to pay or receive currency. Use of swaps subjects the Clients to risk of default by the counterparty. If there is a default by the counterparty to such a transaction, the Clients will have contractual remedies pursuant to the agreements related to the transaction. There are currently a large number of banks and investment banking firms acting both as principals and agents and utilizing standardized swap documentation. As a result, swap markets are normally relatively liquid in comparison with the markets for other similar instruments that are traded in the interbank market. However, in times of market turmoil, spreads can widen substantially, and these markets can become very illiquid with the result that positions may not be able to be offset or closed out at a reasonable price, if at all.

The Clients may also enter into credit default, currency, interest rate, total return or other swaps that may be surrogates for other instruments such as currency forwards and interest rate options. The value of such instruments generally depends upon price movements in the underlying assets as well as counterparty risk.

### ***OTC Transactions***

The Clients may engage in transactions involving securities or instruments traded on OTC markets. In general, there is less governmental regulation and supervision in the OTC markets than of transactions entered into on an organized exchange. In addition, many of the protections afforded to participants on some organized exchanges, such as the performance guarantee of an exchange clearinghouse, will not be available in connection with OTC transactions. This exposes the Clients to the risks that a counterparty

will not settle a transaction because of a credit or liquidity problem or because of disputes over the terms of the contract. Therefore, to the extent that the Clients engage in trading on OTC markets, the Clients could be exposed to greater risk of loss through default than if it confined its trading to regulated exchanges.

### ***Options Strategy Risks***

To the extent the Clients invest in options to generate gains from options premiums and to enhance the Clients' risk-adjusted returns, the Clients are dependent on the Manager's successful implementation of such a strategy. There are several risks associated with transactions in options on securities. For example, there are significant differences between the securities and options markets that could result in an imperfect correlation between these markets, causing a given transaction not to achieve its objectives. A decision as to whether, when and how to use options involves the exercise of skill and judgment, and even a well-conceived transaction may be unsuccessful to some degree because of market behavior or unexpected events.

### ***Currency Risks***

The Clients may invest in securities denominated in non-U.S. currencies for hedging or non-hedging purposes. The Clients will, however, value its assets in U.S. dollars. To the extent unhedged, the value of the Clients' assets will fluctuate with U.S. dollar exchange rates. There is no requirement that the Manager hedge the Clients' non-U.S. currency exposure.

Purchasing instruments denominated in foreign currencies or engaging in currency trading has certain risks, including illiquidity, blockages by governments, political unrest or other factors, failure or inability to deliver, pressures from speculators, and other factors that can result in losses with respect to such instrument and currencies, notwithstanding any nominal returns or value. In addition, to the extent that currency risk is not hedged, changes in the values between the denominated currency of the Clients and other currencies can increase or reduce the actual returns from investments denominated in other currencies. The Clients may at times have significant currency exposure. Therefore, market movements in the underlying currencies could result in substantial losses.

The Manager may utilize currency trading both for opportunistic purposes and for defensive purposes to protect the Clients' value in U.S. dollars. Currency hedging techniques may include (a) purchasing and selling currency futures contracts and options thereon, (b) purchasing and selling currency forward contracts, and (c) engaging in foreign currency exchange transactions on a spot (i.e., cash) basis at the spot rate prevailing in the foreign currency exchange market. For example, the Clients may enter into forward foreign currency exchange contracts to help protect its holdings against unfavorable changes in currency exchange rates. A forward foreign currency exchange contract is an agreement to buy or sell a country's currency at a specific price on a specific date, usually 30, 60 or 90 days in the future. In other words, the contract guarantees an exchange rate on a given date. These contracts, however, will not prevent a the Clients' securities from falling in value during foreign market downswings.

The prices of futures and forward contracts and options thereon are volatile and are influenced by, among other things, actual and anticipated changes in interest or currency exchange rates, which in turn are affected by fiscal and monetary policies and by national and international political and economic events. In addition, because of the low margin deposits required, futures and forward contract trading involves an extremely high degree of leverage. As a result, a relatively small price movement in a futures or forward contract may result in immediate and substantial loss, or gain, to the investor. Losses that may arise from certain futures transactions are potentially unlimited. In the event that the Manager chooses to hedge currency risk, such hedging will impose an expense and may decrease the profitability of the Clients, and there can be no assurance that such a hedging strategy will be effective.

### ***Non-U.S. Investments***

Investments in securities of non-U.S. issuers and the governments of non-U.S. countries involve special risks not usually associated with investing in securities of U.S. companies or the U.S. government, including political and economic considerations, such as greater risks of expropriation and nationalization, confiscatory taxation, the potential difficulty of repatriating funds, social, political and economic instability and adverse diplomatic developments; the possibility of the imposition of withholding or other taxes on dividends, interest, capital gain or other income; the small size of the securities markets in such countries and the low volume of trading, resulting in potential lack of liquidity and in price volatility; fluctuations in the rate of exchange between currencies and costs associated with currency conversion; and certain government policies that may restrict the Clients' investment opportunities. In addition, there may be different types of, and lower quality, information available about a non-U.S. company than a U.S. company. There is also less regulation, generally, of the securities markets in many foreign countries than there is in the United States, and such markets may not provide the same protections available in the United States. Corporate governance standards may be lower in non-U.S. markets. With respect to certain countries there may be the possibility of political, economic or social instability, the imposition of trading controls, import duties or other protectionist measures, various laws enacted for the protection of creditors, greater risks of nationalization or diplomatic developments which could materially adversely affect the Clients' investments in those countries. The Clients' investments in non-U.S. countries may also be subject to withholding or other taxes, which may be significant and may reduce the Clients' returns.

Brokerage commissions, custodial services and other costs relating to investment in international securities markets may be more expensive than in the United States. In addition, clearance and settlement procedures may be different in foreign countries and, in certain markets, such procedures have been unable to keep pace with the volume of securities transactions, thus making it difficult to conduct such transactions.

### ***Temporary Investment Measures***

The Clients may temporarily depart from its stated investment policies – for instance, by allocating substantial assets to cash investments – in response to extraordinary market, economic, political, or other conditions. In doing so, the Clients may succeed in avoiding losses, but may otherwise fail to achieve its investment objective.

### ***Investing in Distressed Securities***

The fact that certain of the companies in whose securities the Clients may invest are in transition, out of favor, financially leveraged or troubled, or potentially troubled, and may be or have recently been involved in major strategic actions, restructurings, bankruptcy, reorganization or liquidation, means that their securities are likely to be particularly risky investments although they also may offer the potential for correspondingly high returns. Such companies' securities may be considered speculative, and the ability of such companies to pay their debts on schedule could be affected by adverse interest rate movements, changes in the general economic climate, economic factors affecting a particular industry, or specific developments within such companies.

Among the risks inherent in investments in troubled entities is the risk that it frequently may be difficult to obtain information as to the true condition of such issuers. Such investments may also be adversely affected by laws relating to, among other things, fraudulent transfers and other voidable transfers or payments, lender liability and the bankruptcy court's power to disallow, reduce, subordinate, recharacterize debt as equity or disenfranchise particular claims. Such companies' obligations may be considered speculative, and the ability of such companies to pay their debts on schedule could be affected by adverse interest rate movements, changes in the general economic climate, economic factors affecting a particular industry or

specific developments within such companies. The level of analytical sophistication, both financial and legal, necessary for successful investment in companies experiencing significant business and financial difficulties is unusually high. There is no assurance that the value of the assets collateralizing the Clients' investments will be sufficient or that prospects for a successful reorganization or similar action will become available. In any reorganization or liquidation proceeding relating to a company in which the Clients invest, the Clients may lose its entire investment, may be required to accept cash or securities with a value less than its original investment and/or may be required to accept payment over an extended period of time. Further, there is no minimum credit standard that is a prerequisite to the Clients' investment in any instrument, and a significant portion of the obligations and preferred stock in which the Clients invests may be less than investment grade. Under such circumstances, the returns generated from the Clients' investments may not compensate the Limited Partners adequately for the risks assumed. In addition, under certain circumstances, payments and distributions may be disgorged if any such payment is later determined to have been a fraudulent conveyance or a preferential payment.

In liquidation (both in and out of bankruptcy) and other forms of corporate reorganization, there exists the risk that the reorganization either will be unsuccessful (due to, for example, failure to obtain requisite approvals), will be delayed (for example, until various liabilities, actual or contingent, have been satisfied) or will result in a distribution of cash or a new security the value of which will be less than the purchase price to the Clients of the security in respect to which such distribution was made.

### ***Illiquid Portfolio Instruments***

The Clients may invest part of its assets in illiquid investments, referred to herein as Designated Investments. The Clients may not be able to readily dispose of such investments and, in some cases, may be contractually prohibited from disposing of such investments for a specified period of time. An investment in the Clients is suitable only for certain sophisticated investors that do not require immediate liquidity for their investments.

In addition, the Clients may acquire securities that are subject to restrictions on resale. Restricted securities may only be sold pursuant to an exemption from registration under the Securities Act, or in a registered public offering. Where registration is required, the holder of a registered security may be obligated to pay all or part of the registration expense and a considerable period may elapse between the time it decides to seek registration and the time it may be permitted to sell a security under an effective registration statement. Difficulty in selling such securities may result in a loss to the Clients or cause it to incur additional administrative costs.

### ***Pandemic Risks***

An outbreak of disease or similar public health threat, or fear of such an event could have a material adverse impact on the Clients' business, financial condition and operating results. In addition, outbreaks of disease could result in increased government restrictions and regulation, including quarantines, which could adversely affect the Clients' operations. In December 2019, a novel strain of coronavirus ("COVID-19") was reported in Wuhan, China. The World Health Organization has declared COVID-19 to constitute a "Public Health Emergency of International Concern" and a pandemic. The U.S. government has also implemented enhanced screenings, quarantine requirements and travel restrictions in connection with the COVID-19 outbreak. As of the date of this Memorandum, the COVID-19 pandemic has significantly and negatively impacted the global economy, disrupted global supply chains and created significant volatility and disruption of financial markets. The extent of the impact of the COVID-19 pandemic on the Clients' financial performance, including the Clients' ability to execute its investment strategy in the expected time frame, will depend on future developments, including the duration and spread of the pandemic and the impact of the pandemic on local, national and global financial markets, all of which are uncertain and cannot



be predicted. An extended period of global supply chain and economic disruption could materially affect the Clients' business, results of operations, access to sources of liquidity and financial condition.

### ***Government Intervention; Market Disruptions***

The global financial markets have undergone fundamental disruptions that have led to extensive and unprecedented governmental intervention. Such intervention has in certain cases been implemented on an "emergency" basis, suddenly and substantially eliminating market participants' ability, at least on a temporary basis, to continue to implement certain strategies or manage the risk of their outstanding positions. In addition — as one would expect given the complexities of the financial markets and the limited time frame within which governments have taken such actions — these interventions typically have been unclear in scope and application, resulting in confusion and uncertainty which in itself has been materially detrimental to the efficient functioning of the markets as well as certain previously successful investment strategies.

### ***Computer or Systems Failures***

The Clients may experience substantial losses on transactions if the Manager's computer or communications systems fail. The Manager's trading activities, including its risk management, depends on the integrity and performance of the computer and communications systems supporting it. Extraordinary transaction volume, hardware or software failure, power or telecommunications failure, a natural disaster or other catastrophe could cause the Manager's computer systems to operate at an unacceptably slow speed or even fail. Any significant degradation or failure of the systems that the Manager uses to gather and analyze information, enter orders, process data, monitor risk levels and otherwise engage in trading activities may result in substantial losses on transactions, liability to other parties, lost profit opportunities, damages to the Manager's, the General Partner's and the Clients' reputations, increased operational expenses and diversion of technical resources.

### ***Cybersecurity Risk***

The Clients, the General Partner, the Manager and their service providers may be prone to operational and information security risks resulting from cyber-attacks. Cyber-attacks include, among other behaviors, stealing or corrupting data maintained online or digitally, denial of service attacks on websites, the unauthorized release of confidential information or various other forms of cybersecurity breaches. Cybersecurity attacks affecting the Clients and its service providers may adversely impact the Clients. For instance, cyber-attacks may interfere with the processing of Client transactions, cause the release of private information about investors in the Clients, impede trading, subject the Clients and the General Partner and/or the Manager to regulatory fines or financial losses, and cause reputational damage. Similar types of cybersecurity risks are also present for issuers of securities in which the Clients may invest, which could result in material adverse consequences for such issuers and may cause the Clients' investments in such issuers to lose value.

### ***Evolving Regulation of Financial Markets***

Developments in global financial markets during and since the 2008-2009 financial crisis illustrate that the global financial markets are susceptible to extraordinary and possibly unprecedented uncertainty. Future market turmoil, particularly if it leads to an overall weakening of the financial services industry, may adversely affect the financial condition of the Clients, its service providers and other financial institutions and they may become subject to additional legal, regulatory, reputational and other unforeseen burdens and risks that could have a material adverse effect on the Clients' investment strategy, as well as its overall business and operations.

In the United States, Congress' response to the 2008-2009 financial crisis involved sweeping reform of the U.S. financial regulatory system, including the enactment of the Dodd-Frank Wall Street Reform and Consumer Protection Act (the "Dodd-Frank Act") in July 2010. The Dodd-Frank Act imposed substantial regulatory requirements on markets, market participants and financial instruments that were previously unregulated and altered the regulation of many other markets, market participants and financial instruments, in some cases to a significant degree. Certain of the rulemaking by applicable regulatory bodies required by the Dodd-Frank Act is relatively new or as yet untested. Moreover, additional legislative or regulatory action could be undertaken. As such, it is difficult to predict the full impact of the Dodd-Frank Act on the Clients and the markets in which it trades and invests. There can be no guarantee that the Clients' investment strategy will remain viable, cost-effective, and economically feasible to implement against this complex and evolving legislative and regulatory backdrop.

### ***Enhanced Regulations of the Over-the-Counter Derivatives Market***

The Dodd-Frank Act includes provisions that comprehensively regulate the over-the-counter derivatives markets, requiring, among other things, that a substantial portion of over-the-counter derivatives be executed in regulated markets and submitted for clearing to regulated clearinghouses. Over-the-counter trades submitted for clearing will be subject to minimum initial and variation margin requirements set by the relevant clearinghouse, as well as margin requirements mandated by the SEC and CFTC. The regulators also have broad discretion to impose margin requirements on non-cleared over-the-counter derivatives. Although the Dodd-Frank Act includes limited exemptions from the clearing and margin requirements for so-called end-users, the Manager is not eligible to rely on such exemptions. In addition, over-the-counter derivatives dealers will not be able to rely on the end-user exemptions under the Dodd-Frank Act and, therefore, such dealers will be subject to clearing and margin requirements regardless of whether the Manager is subject to such requirements. Over-the-counter derivatives dealers also will be required to post margin to the clearinghouses through which they clear their customers' trades instead of using such margin in their operations, as they currently are allowed to do. This will further increase the dealers' costs, which costs are expected to be passed through to other market participants such as the Manager – and, therefore, indirectly to the Clients – in the form of higher fees and less favorable dealer marks.

The SEC and CFTC may also require the derivative transactions engaged in by the Manager that are currently executed on a bilateral basis in the over-the-counter markets to be executed through a regulated securities, futures, or swap exchange or execution facility. Such requirements may make it more difficult and costly for investment funds, including the Clients, to enter into highly tailored or customized transactions. They may also render certain strategies in which the Manager might otherwise engage impossible, or so costly that they will no longer be economical, to implement.

Over-the-counter derivatives dealers and major over-the-counter derivatives market participants will be required to register with the SEC and/or CFTC. Dealers and major participants will be subject to minimum capital and margin requirements. These requirements may apply irrespective of whether the over-the-counter derivatives in question are exchange-traded or cleared. Over-the-counter derivatives dealers will also be subject to new business conduct standards, disclosure requirements, reporting and recordkeeping requirements, transparency requirements, position limits, limitations on conflicts of interest, and other regulatory burdens. These requirements may increase the overall costs for over-the-counter derivatives dealers, which are likely to be passed along, at least partially, to market participants such as the Manager in the form of higher fees or less advantageous dealer marks. The overall impact of the Dodd-Frank Act on the Manager and indirectly on the Clients is highly uncertain and it is unclear how the over-the-counter derivatives markets will adapt to this new regulatory regime.

### ***Reporting Requirements***

The Clients or the Manager may be subject to certain reporting requirements under the securities and other applicable laws and regulations of the U.S. and other jurisdictions which may require the periodic reporting (public or otherwise) of certain Client investments. Such reporting (and the frequency thereof), when required and if public, could provide competitors and others insight into the Clients' investment strategy and portfolio composition, and may provide competitors and others the ability to attempt to replicate or reverse-engineer the Clients' portfolios.

#### *Risk Related to Investing in the Separate Funds*

##### ***Risks Unique to Options***

Assignments. Having a short call or put in a position can lead to an assignment and involuntary transaction, which cannot otherwise be avoided. In the case of a short call, being assigned can lead to a forced sale of stock, whether it is held long in the portfolio or not. Being short a put can lead to a forced purchase of the underlying stock for which capital will have to be provided by the account holder.

Losses and Limited Gains. In the case of an option purchase (long call or long put), a Client's entire initial investment of premium can be lost. In the case of a covered option short sale (short call or short put), upside gains can be limited by the sale of a short call against an underlying stock position (see also Assignment risk above) and a forced purchase of stock can occur in the case of a short cash covered put sale. In the case of a naked call or put sale (a call with no underlying stock position and a put with no cash to cover the possibility of a forced stock purchase) there is the risk of unlimited loss in the call position and substantial loss in the put position.

Lack of Liquidity. Some option markets are very thinly traded and highly illiquid, resulting in wide markets and limited trading opportunities. Should it be determined that an option trade will be attempted in such a market, there is the risk of a fill price that is either substantially higher (purchase) or substantially lower (sale) than mid-market. In addition, in such illiquid markets and despite best efforts there is the risk that no fill will occur at all for the intended order.

Other Options Risks. There are various other risks associated with option positions. Options are complex derivative securities and should not be traded without full knowledge of all the factors affecting their value. These factors include changes in implied volatility in the market that can cause an increase/decrease in the value of an option with no concurrent change in the underlying price of the stock. In addition, changes in the underlying stock dividend, time to expiration, market interest rates and other factors can affect the value of an option position.

Risks of Writing Options. As the writer of a covered call option, the Clients forgo, during the option's life, the opportunity to profit from increases in the market value of the security covering the call option above the sum of the premium and the strike price of the call, but has retained the risk of loss should the price of the underlying security decline. In other words, as the Clients write covered calls over more of its portfolio, the Clients' ability to benefit from capital appreciation becomes more limited.

If the Clients write call options on individual securities or index call options that include securities, in each case, that are not in the Clients' portfolio or that are not in the same proportion as securities in the Clients' portfolio, the Clients will experience loss, which theoretically could be unlimited, if the value of the individual security, index or basket of securities appreciates above the exercise price of the index option written by the Clients.

When the Clients write put options, it bears the risk of loss if the value of the underlying stock declines

below the exercise price minus the put premium. If the option is exercised, the Clients could incur a loss if it is required to purchase the stock underlying the put option at a price greater than the market price of the stock at the time of exercise plus the put premium the Clients received when it wrote the option. While the Clients' potential gain in writing a put option is limited to the premium received from the purchaser of the put option, the Clients risk a loss equal to the entire exercise price of the option minus the put premium.

Exchange-Listed Options Risks. There can be no assurance that a liquid market will exist when the Clients seek to close out an exchange-listed option position. Reasons for the absence of a liquid secondary market on an exchange include the following: (i) there may be insufficient trading interest in certain options; (ii) restrictions may be imposed by an exchange on opening transactions or closing transactions or both; (iii) trading halts, suspensions or other restrictions may be imposed with respect to particular classes or series of options; (iv) unusual or unforeseen circumstances may interrupt normal operations on an exchange; (v) the facilities of an exchange or the Options Clearing Corporation (the "OCC") may not at all times be adequate to handle current trading volume; or (vi) one or more exchanges could, for economic or other reasons, decide or be compelled at some future date to discontinue the trading of options (or a particular class or series of options).

Over-the-Counter Options Risk. The Clients may write (sell) unlisted OTC options to a significant extent. OTC options differ from exchange-listed options in that they are two-party contracts, with exercise price, premium and other terms negotiated between buyer and seller, and generally do not have as much market liquidity as exchange-listed options. The OTC options written by the Clients will not be issued, guaranteed or cleared by the OCC. In addition, the Clients' ability to terminate OTC options may be more limited than with exchange-traded options. Banks, broker-dealers or other financial institutions participating in such transactions may fail to settle a transaction in accordance with the terms of the option as written. In the event of default or insolvency of the counterparty, the Clients may be unable to liquidate an OTC option position.

Index Options Risk. The Clients may sell index put and call options from time to time. The purchaser of an index put option has the right to any depreciation in the value of the index below the exercise price of the option on or before the expiration date. The purchaser of an index call option has the right to any appreciation in the value of the index over the exercise price of the option on or before the expiration date. Because the exercise of index options is settled in cash, sellers of index call options, such as the Clients, cannot provide in advance for their potential settlement obligations by acquiring and holding the underlying securities. The Clients will lose money if it is required to pay the purchaser of an index option the difference between the cash value of the index on which the option was written and the exercise price and such difference is greater than the premium received by the Clients for writing the option.

Tax Risk. Income on options on individual stocks will generally not be recognized by the Clients for tax purposes until an option is exercised, lapses or is subject to a "closing transaction" (as defined by applicable regulations) pursuant to which the Clients' obligations with respect to the option are otherwise terminated. If the option lapses without exercise or is otherwise subject to a closing transaction, the premiums received by the Clients from the writing of such options will generally be characterized as short-term capital gain. If an option written by the Clients is exercised, the Clients may recognize taxable gain depending on the exercise price of the option, the option premium, and the tax basis of the security underlying the option. The character of any gain on the sale of the underlying security as short-term or long-term capital gain will depend on the holding period of the Clients in the underlying security. In general, distributions received by shareholders of the Clients that are attributable to short-term capital gains recognized by the Clients from its options writing activities will be taxed to such shareholders as ordinary income and will not be eligible for the reduced tax rate applicable to qualified dividend income.

Index options will generally be "marked-to-market" for U.S. federal income tax purposes. As a result, the

Clients will generally recognize gain or loss on the last day of each taxable year equal to the difference between the value of the index option on that date and the adjusted basis of the index option. The adjusted basis of the index option will consequently be increased by such gain or decreased by such loss. Any gain or loss with respect to index options will be treated as short-term capital gain or loss to the extent of 40% of such gain or loss and long-term capital gain or loss to the extent of 60% of such gain or loss. Because the mark-to-market rules may cause the Clients to recognize gain in advance of the receipt of cash, the Clients may be required to dispose of investments in order to meet its distribution requirements.

### *Risk Related to Investing in the Fund*

#### ***Investment and Trading Risks***

An investor should be aware that it may lose all or part of its investment in the Fund. All investments risk the loss of capital. The Manager believes that the Fund's investment program and research techniques moderate this risk; however, no guarantee or representation is made that the Fund's investment program will be successful, and investment results may vary substantially over time. The Fund may utilize such investment techniques as option transactions, margin transactions, short sales, limited diversification, leverage and forward contracts, which practices can, in certain circumstances, increase the adverse impact to which the Fund's portfolio may be subject.

#### ***Long/Short Strategy***

The success of the Fund's long/short investment strategy depends upon the Manager's ability to identify and purchase securities that are undervalued and identify and sell short securities that are overvalued. The identification of investment opportunities in the implementation of the Fund's long/short investment strategies is a difficult task, and there are no assurances that such opportunities will be successfully recognized or acquired. In the event that the perceived opportunities underlying the Fund's positions were to fail to converge toward, or were to diverge further from, values expected by the Manager, the Fund may incur a loss. In the event of market disruptions, significant losses can be incurred which may force the Fund to close out one or more positions. Furthermore, the valuation models used to determine whether a position presents an attractive opportunity consistent with the Manager's long/short strategies may become outdated and inaccurate as market conditions change.

#### ***Technology Sector Risks***

Investments in technology securities present special risk considerations. Technology companies may produce or use products or services that prove commercially unsuccessful, become obsolete or become adversely impacted by government regulation. Competitive pressures in the technology industry, both domestically and internationally, may affect negatively the financial condition of technology companies, and a substantial investment in technology securities may subject the Fund to more volatile price movements than a more diversified securities portfolio. In certain instances, technology securities may experience significant price movements caused by disproportionate investor optimism or pessimism with little or no basis in fundamental economic conditions. Technology companies may have limited product lines, markets, financial resources or personnel. The products of technology companies may face obsolescence due to rapid technological developments, frequent and new product introduction, unpredictable changes in growth rates and competition for the services of qualified personnel. As a result of these and other reasons, investments in the technology industry can experience sudden and rapid appreciation and depreciation.

#### ***New Issues Risk***

“New Issues” are IPOs of equity securities. Securities issued in IPOs have no trading history, and information about the companies may be available for very limited periods. In addition, some companies in IPOs are involved in relatively new industries or lines of business, which may not be widely understood by investors. Some of these companies may be undercapitalized or regarded as developmental stage companies, without revenues or operating income, or the near-term prospects of achieving them. Further, the prices of securities sold in IPOs may be highly volatile or may decline shortly after the IPO. When an initial public offering is brought to the market, availability may be limited and the Clients may not be able to buy any shares at the offering price, or, if it is able to buy shares, it may not be able to buy as many shares at the offering price as it would like. The limited number of shares available for trading in some IPOs may make it more difficult for the Fund to buy or sell significant amounts of shares.

### ***Technology Innovation Risk***

Companies that the Manager believes are capitalizing on innovation and developing technologies to displace older technologies or create new markets may not in fact do so. Companies that initially develop a novel technology may not be able to capitalize on the technology. Companies that develop novel technologies may face political or legal attacks from competitors, industry groups or local and national governments. These companies may also be exposed to risks applicable to sectors other than the novel innovation theme for which they are chosen, and the securities issued by these companies may underperform the securities of other companies that are primarily focused on a particular theme. The Fund may invest in a company that does not currently derive any revenue from innovations or technologies, and there is no assurance that a company will derive any revenue from innovations or technologies in the future. An innovation or technology may constitute a small portion of a company’s overall business. As a result, the success of a novel innovation or technology may not affect the value of the equity securities issued by the company.

### ***Fixed Income Securities***

The Fund may invest in bonds or other fixed income securities of U.S. and non-U.S. issuers, including, without limitation, bonds, notes and debentures issued by corporations; debt securities issued or guaranteed by the U.S. Government or one of its agencies or instrumentalities; and commercial paper. Fixed-income securities pay fixed, variable or floating rates of interest. The value of fixed-income securities in which the Fund invests will change in response to fluctuations in interest rates. In addition, the value of certain fixed-income securities can fluctuate in response to perceptions of credit worthiness, political stability or soundness of economic policies. Fixed-income securities are subject to the risk of the issuer’s inability to meet principal and interest payments on its obligations (i.e., credit risk) and are subject to price volatility due to such factors as interest rate sensitivity, market perception of the creditworthiness of the issuer and general market liquidity (i.e., market risk).

### ***Principal Risks of Investing in the ETF***

Before investing in the ETF, you should carefully consider your own investment goals, the amount of time you are willing to leave your money invested and the amount of risk you are willing to take. Remember that in addition to possibly not achieving your investment goals, you could lose money by investing in the ETF. The value of your investment will go up and down with the prices of the securities in which the ETF invests. The following table below describes these risks born by the ETF with respect to its investments:

### ***Authorized Participant Risk***

Only an authorized participant may engage in creation or redemption transactions directly with an ETF. The ETF has a limited number of institutions that may act as authorized participants on an agency basis

(i.e., on behalf of other market participants). To the extent that authorized participants exit the business or are unable to proceed with creation or redemption orders with respect to an ETF and no other authorized participant is able to step forward to create or redeem Creation Units, ETF shares may be more likely to trade at a premium or discount to net asset value and possibly face trading halts or delisting.

### ***Company-Specific Risk***

The possibility that a particular stock may lose value due to factors specific to the company itself, including deterioration of its fundamental characteristics, an occurrence of adverse events at the company, or a downturn in its business prospects.

### ***Convertible Securities Risk***

The market value of a convertible security performs like that of a regular debt security; that is, if market interest rates rise, the value of a convertible security usually falls. In addition, convertible securities are subject to the risk that the issuer will not be able to pay interest or dividends when due, and their market value may change based on changes in the issuer's credit rating or the market's perception of the issuer's creditworthiness. Since it derives a portion of its value from the common stock into which it may be converted, a convertible security is also subject to the same types of market and issuer risks that apply to the underlying common stock.

### ***Depository Receipts Risk***

ADRs and GDRs are securities typically issued by a bank or trust company that evidence ownership of underlying securities issued by a foreign corporation and entitle the holder to all dividends and capital gains that are paid out on the underlying foreign securities. The issuers of certain depository receipts are under no obligation to distribute shareholder communications to the holders of such receipts, or to pass through to them any voting rights with respect to the deposited securities. Investment in depository receipts may be less liquid than the underlying shares in their primary trading market. Depository receipts may not necessarily be denominated in the same currency as the underlying securities into which they may be converted. In addition, the issuers of the stock underlying unsponsored depository receipts are not obligated to disclose material information in the United States. Investments in depository receipts may be less liquid than the underlying shares in their primary trading market and, if not included in an index, may negatively affect an index fund's ability to replicate the performance of the index. In addition, investments in depository receipts that are not included in the index may increase tracking error.

### ***Equity Securities***

The Clients' investment portfolios may include positions in common stocks, preferred stocks and convertible securities of U.S. issuers and non-U.S. issuers. The Clients also may invest in depository receipts relating to non-U.S. securities. Equity securities fluctuate in value in response to many factors, including the activities and financial condition of individual companies, the business market in which individual companies compete and industry market conditions and general economic environments.

The value of equity securities of public and private, listed and unlisted companies and equity derivatives generally varies with the performance of the issuer and movements in the equity markets. As a result, the Fund may suffer losses if it invests in equity instruments of issuers whose performance diverges from the Manager's expectations or if equity markets generally move in a single direction and the Clients have not hedged against such a general move. The Clients also may be exposed to risks that issuers will not fulfill contractual obligations such as, in the case of convertible securities or private placements, delivering

marketable common stock upon conversions of convertible securities and registering restricted securities for public resale.

### ***Derivatives Risk***

The ETF uses investment techniques, including investments in futures contracts, and options, that attempt to track the price movement of underlying securities or indices, which may be considered aggressive. Investments in derivatives in general are subject to market risks that may cause their prices to fluctuate over time. In addition, such instruments may experience potentially dramatic price changes (losses) and imperfect correlations between the price of the contract and the underlying security or index which will increase the volatility of the ETF and may involve a small investment of cash relative to the magnitude of the risk assumed. The use of derivatives may currently expose the ETF to additional risks that they would not be subject to if they invested directly in the securities underlying those derivatives, such as counterparty risk and the risk that the derivatives may become illiquid. The use of derivatives may result in larger losses or smaller gains than otherwise would be the case. The derivatives that the ETF may invest in include:

Futures. A futures contract is a contract to purchase or sell a particular security, or the cash value of an index, at a specified future date at a price agreed upon when the contract is made. Under such contracts, no delivery of the actual securities is required. Rather, upon the expiration of the contract, settlement is made by exchanging cash in an amount equal to the difference between the contract price and the closing price of a security or index at expiration, net of the variation margin that was previously paid.

Options. An option is a contract that gives the purchaser (holder) of the option, in return for a premium, the right to buy from (call) or sell to (put) the seller (writer) of the option the security or currency underlying the option at a specified exercise price at any time during the term of the option (normally not exceeding nine months). The writer of an option has the obligation upon exercise of the option to deliver the underlying security or currency upon payment of the exercise price or to pay the exercise price upon delivery of the underlying security or currency.

Options on Futures Contracts. An option on a futures contract provides the holder with the right to enter into a "long" position in the underlying futures contract, in the case of a call option, or a "short" position in the underlying futures contract in the case of a put option, at a fixed exercise price to a stated expiration date. Upon exercise of the option by the holder, the contract market clearing house establishes a corresponding short position for the writer of the option, in the case of a call option, or a corresponding long position, in the case of a put option.

Early Close/Trading Halt Risk. An exchange or market may close or impose a market trading halt or issue trading halts on specific securities, or the ability to buy or sell certain securities or financial instruments may be restricted, which may prevent an ETF from buying or selling certain securities or financial instruments. In these circumstances, an ETF may be unable to rebalance its portfolio, may be unable to accurately price its investments and may incur substantial trading losses.

### ***Emerging Markets Risk***

Emerging markets are riskier than more developed markets because they tend to develop unevenly and may never fully develop. Investments in emerging markets may be considered speculative. Emerging markets are more likely to experience hyperinflation and currency devaluations, which adversely affect returns to U.S. investors. In addition, many emerging securities markets have far lower trading volumes and less liquidity than developed markets.

### ***Equity Securities Risk***



Fluctuations in the value of equity securities held by an ETF will cause the net asset value (“NAV”) of the ETF and the price of its shares (“Shares”) to fluctuate.

### ***Common Stock Risk***

Common stock of an issuer in a ETF’s portfolio may decline in price if the issuer fails to make anticipated dividend payments. Common stock will be subject to greater dividend risk than preferred stocks or debt instruments of the same issuer. In addition, common stocks have experienced significantly more volatility in returns than other asset classes.

### ***Preferred Stock Risk***

Generally, preferred stockholders have no voting rights with respect to the issuing company unless certain events occur. In addition, preferred stock will be subject to greater credit risk than debt instruments of an issuer and could be subject to interest rate risk like fixed income securities, as described below. An issuer’s board of directors is generally not under any obligation to pay a dividend (even if dividends have accrued) and may suspend payment of dividends on preferred stock at any time. There is also a risk that the issuer of any of the ETF’s holdings will default and fail to make scheduled dividend payments on the preferred stock held by the ETF).

### ***Trading Issues***

Trading in Shares on the Exchange may be halted due to market conditions or for reasons that, in the view of the Exchange, make trading in Shares inadvisable, such as extraordinary market volatility. There can be no assurance that Shares will continue to meet the listing requirements of the Exchange, which may result in the trading of the Shares being suspended or the Shares being delisted. An active trading market for the Shares may not be developed or maintained. If the Shares are traded outside a collateralized settlement system, the number of financial institutions that can act as authorized participants that can post collateral on an agency basis is limited, which may limit the market for the Shares and lead to a difference in the market price of the Shares and their underlying value.

### ***Market Price Variance Risk***

Individual Shares of an ETF that are listed for trading on the Exchange can be bought and sold in the secondary market at market prices. The market prices of Shares will fluctuate in response to changes in NAV and supply and demand for Shares. There may be times when the market price and the NAV vary significantly and you may pay more than NAV when buying Shares on the secondary market, and you may receive less than NAV when you sell those Shares. The market price of Shares, like the price of any exchange traded security, includes a “bid-ask spread” charged by the exchange specialists, market makers or other participants that trade the particular security. In times of severe market disruption, the bid-ask spread often increases significantly. This means that Shares may trade at a discount to NAV and the discount is likely to be greatest when the price of Shares is falling fastest, which may be the time that you most want to sell your Shares. An ETF’s investment results are measured based upon the daily NAV of the TEF over a period of time. Investors purchasing and selling Shares in the secondary market may not experience investment results consistent with those experienced by those authorized participants creating and redeeming directly with an ETF.

- In times of market stress, market makers may step away from their role market making in shares of ETFs and in executing trades, which can lead to differences between the market value of Shares and a ETF’s NAV.

- The market price for the Shares may deviate from a ETF's NAV, particularly during times of market stress, with the result that investors may pay significantly more or significantly less for Shares than the ETF's NAV, which is reflected in the bid and ask price for ETF shares or in the closing price.
- When all or a portion of an ETFs underlying securities trade in a market that is closed when the market for the Shares is open, there may be changes from the last quote of the closed market and the quote from an ETF's domestic trading day, which could lead to differences between the market value of the Shares and the ETF's NAV.
- In stressed market conditions, the market for the Shares may become less liquid in response to the deteriorating liquidity of an ETF's portfolio. This adverse effect on the liquidity of the Shares may, in turn, lead to differences between the market value of the Shares and a ETF's NAV.

### ***Foreign Securities Risk***

Foreign securities, foreign currencies, and securities issued by U.S. entities with substantial foreign operations, and securities for which an entity located in a foreign country provides credit support or a maturity-shortening structure can involve additional risks relating to political, economic, or regulatory conditions in foreign countries. These risks include fluctuations in foreign exchange rates; withholding or other taxes; trading, settlement, custodial, and other operational risks; and the less stringent investor protection and disclosure standards of some foreign markets. All of these factors can make foreign investments, especially those in emerging markets, more volatile and potentially less liquid than U.S. investments. In addition, foreign markets can perform differently from the U.S. market.

Investing in emerging markets can involve risks in addition to and greater than those generally associated with investing in more developed foreign markets. The extent of economic development; political stability; market depth, infrastructure, and capitalization; and regulatory oversight can be less than in more developed markets. Emerging market economies can be subject to greater social, economic, regulatory, and political uncertainties. All of these factors can make emerging market securities more volatile and potentially less liquid than securities issued in more developed markets.

Global economies and financial markets are becoming increasingly interconnected, which increases the possibilities that conditions in one country or region might adversely impact issuers or providers in, or foreign exchange rates with, a different country or region.

### ***Investing in Other Funds***

A ETF bears all risks of investment strategies employed by mutual funds and ETFs that it invests in (**"underlying funds"**). The ETF does not control the investments of the underlying funds, which may have different investment objectives and may engage in investment strategies that the ETF would not engage in directly. Aggregation of underlying fund holdings may result in indirect concentration of assets in a particular industry or group of industries, or in a single issuer, which may increase volatility. Additionally, ETFs may trade in the secondary market (e.g., on a stock exchange) at prices below the value of their underlying portfolios and may not be liquid. An ETF that is not actively managed cannot sell poorly performing stocks or other assets as long as they are represented in its index or other benchmark. ETFs that track an index are subject to tracking error risk (the risk of errors in matching the ETF's underlying assets to its index or other benchmark).

### ***Issuer Risk***

The performance of an ETF depends on the performance of individual securities to which the ETF has exposure. Changes in the financial condition or credit rating of an issuer of those securities may cause the value of the securities to decline.

### ***Large Market Capitalization Companies Risk***

The value of investments in larger companies may not rise as much as smaller companies, or larger companies may be unable to respond quickly to competitive challenges, such as changes in technology and consumer tastes.

### ***Market Risk***

The increasing interconnectivity between global economies and financial markets increases the likelihood that events or conditions in one region or financial market may adversely impact issuers in a different country, region or financial market. Securities in an ETF's portfolio may underperform due to inflation (or expectations for inflation), interest rates, global demand for particular products or resources, natural disasters, pandemics, epidemics, terrorism, regulatory events and governmental or quasi-governmental actions. The occurrence of global events similar to those in recent years, such as terrorist attacks around the world, natural disasters, social and political discord or debt crises and downgrades, among others, may result in market volatility and may have long term effects on the U.S. financial market. It is difficult to predict when similar events affecting the U.S. financial market may occur, the effects that such events may have and the duration of those effects. Any such event(s) could have a significant adverse impact on the value and risk profile of the ETF's portfolio. The current novel coronavirus (COVID-19) global pandemic and the aggressive responses taken by many governments, including closing borders, restricting international and domestic travel, and the imposition of prolonged quarantines or similar restrictions, as well as the forced or voluntary closure of, or operational changes to, many retail and other businesses, has had negative impacts, and in many cases severe negative impacts, on the U.S. financial market. It is not known how long such impacts, or any future impacts of other significant events described above, will or would last, but there could be a prolonged period of global economic slowdown, which may impact your ETF investment. Therefore, the ETF could lose money over short periods due to short-term market movements and over longer periods during more prolonged market downturns. During a general market downturn, multiple asset classes may be negatively affected. Changes in market conditions and interest rates can have the same impact on all types of securities and instruments. In times of severe market disruptions, you could lose your entire investment.

### ***Mid Cap Securities Risk***

The securities of mid cap companies generally trade in lower volumes and are generally subject to greater and less predictable price changes than the securities of larger capitalization companies.

### ***Non-Diversified Risk***

Investment companies are classified as either "diversified" or "non-diversified" under the 1940 Act. Each ETF is classified as a "non-diversified" investment company under the 1940 Act, although each is diversified for Internal Revenue Code purposes. An investment company classified as "diversified" under the 1940 Act is subject to certain limitations with respect to the value of the company's assets invested in particular issuers. As a non-diversified investment company, each ETF is subject to the risk that it will be more volatile than a diversified fund because the ETF may invest a relatively higher proportion of its assets in a relatively smaller number of issuers or may invest a larger proportion of its assets in a single issuer. As

a result, the gains and losses on a single investment may have a greater impact on a ETF's NAV and may make the ETF more volatile than more diversified funds.

### ***Preferred Securities Risk***

Preferred securities may pay fixed or adjustable rates of return. Preferred securities are subject to issuer-specific and market risks applicable generally to equity securities. In addition, a company's preferred securities generally pay dividends only after the company makes required payments to holders of its bonds and other debt. For this reason, the value of preferred securities will usually react more strongly than bonds and other debt to actual or perceived changes in the company's financial condition or prospects. Preferred securities of smaller companies may be more vulnerable to adverse developments than preferred securities of larger companies.

### ***Small Cap and Emerging Growth Securities Risk***

Small cap or emerging growth companies may have limited product lines or markets. They may be less financially secure than larger, more established companies. They may depend on a more limited management group than larger capitalized companies.

### ***Securities Lending Risk***

The ETF may engage in securities lending. Securities lending involves the risk that an ETF may lose money because the borrower of the loaned securities fails to return the securities in a timely manner or at all. An ETF could also lose money in the event of a decline in the value of collateral provided for loaned securities or a decline in the value of any investments made with cash collateral. These events could also trigger adverse tax consequences for the ETF.

## **Item 9. Disciplinary Information**

This item is not applicable given that the Manager has no disciplinary information to disclose.

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

### **Item 10.A.**

Neither Future Fund nor any of Future Fund's management persons are registered, or have an application pending to register, as a broker-dealer or a registered representative of a broker-dealer.

### **Item 10.B.**

Neither Future Fund nor any of its management persons are registered, or have an application pending to register, as a futures commission merchant, commodity pool operator, commodity trading advisor, or an associated person of any of the foregoing.

### **Item 10.C.**

The Manager has no related persons other than the General Partner, as disclosed on Part 1 of its Form ADV.

### **Item 10.D.**

Future Fund does not recommend or select other investment advisers for the Clients.

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

### **Item 11.A.**

Future Fund has adopted a Code of Ethics (the “**Code**”) pursuant to Rule 204A-1 under the Advisers Act that requires the Manager and its supervised persons (as defined in the Advisers Act) to put the interests of its Clients before their own interests, and to act honestly and fairly in all respects in their dealings with Clients.

The Code of Ethics includes the following:

- A statement of the standard of business conduct;
- Procedures for handling confidential information;
- Treatment of material non-public information;
- A personal trading policy, including reporting requirements regarding personal holdings and pre-clearance requirements as required under the Advisers Act;
- Employees are required to obtain prior approval from the CCO before entering into any private securities transaction;
- Reporting and prior approval requirements for any outside business activities;
- Limits on gifts and entertainment;
- Limits on political contributions;
- Employees must acknowledge in writing having received and read a copy of the Code; and
- Any exceptions to the above need prior approval of the CCO.

A copy of Future Fund’s Code is available to Clients and prospective Clients upon request.

### **Items 11.B., 11.C., and 11.D.**

Future Fund does not engage in principal transactions. In addition, as further detailed in 11.A, Future Fund has adopted a personal trading policy as part of its Code for its supervised persons which restricts the ability of supervised persons to purchase or sell individual securities that are held in any of the Client accounts. All trades in single name securities are subject to pre-clearance by the CCO.

Future Fund addresses related potential conflicts of interest by enforcing provisions of its Code. It may restrict personal trading by supervised persons in any circumstances where it considers such restriction to be in the best interests of its Clients. Supervised persons are prohibited from using their knowledge of Client transactions to cause any non-Client account to profit from the market effect of such transactions or to give such information to a third party who may so profit.

## **Item 12. Brokerage Practices**

### **Item 12.A**

In general, Future Fund considers many different factors when selecting broker-dealers for a Client transaction and determining their appropriate compensation. Future Fund seeks to obtain best execution by evaluating a series of factors, including but not limited to: the broker-dealer’s ability to effect prompt and efficient executions at competitive rates, reputation, financial strength and stability, research (including economic forecasts, fundamental advice on securities, and other services provided) and compensation.

In selecting a broker-dealer to execute transactions and determining the reasonableness of the broker-dealer's compensation, the Manager need not solicit competitive bids and does not have an obligation to seek the lowest available commission cost. It is not the Manager's practice to negotiate "execution only" commission rates. Thus, a client may be deemed to be paying for Soft Dollar Services (as defined below) provided by a broker-dealer which are included in the commission rate. The CCO and portfolio manager meet periodically to evaluate the broker-dealers used by the Manager to execute trades, by considering the foregoing factors.

#### **Item 12.A.1**

The Manager may receive research or other products or services other than execution from broker-dealers in connection with Client securities transactions (the "**Soft Dollar Services**"), provided that such Soft Dollar Services are within the safe harbor established by Section 28(e) (the "**Safe Harbor**") of the Securities Exchange Act of 1934, as amended. Pursuant to the Safe Harbor, the Manager may use Client funds, by way of commission dollars, to purchase certain "brokerage and research services," which must provide lawful and appropriate assistance in the performance of the Manager's investment decision-making responsibilities. The Manager benefits from such Soft Dollar Services because it does not have to produce or pay for such research, products or services. The Safe Harbor requires that the amount of commissions paid are 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. Accordingly, if the Manager determines in good faith that the amount of commissions charged by a broker is reasonable in relation to the value of the Soft Dollar Services provided by such broker, Clients may pay commissions to such broker in an amount greater than the amount another broker might charge.

This creates an incentive for the Manager to select or recommend a broker-dealer based on its interest in receiving Soft Dollar Services, rather than on your Clients' interest in receiving most favorable execution. Research and brokerage services obtained using commissions arising from a Client's portfolio transactions may be used by the Manager in its other investment activities, including, for the benefit of other Client accounts. The Soft Dollar Services obtained through the use of commissions generated with respect to one Client's portfolio transactions may be used with respect to any or all of the Firm's other Clients. The Manager does not always seek to allocate soft dollar benefits to Client accounts proportionately to the soft dollar credits the accounts generate.

Given that the Manager and the Clients were just recently formed, there is no record to report with respect to what types of products and services the Manager acquired with Client brokerage commissions during the last fiscal year. In addition to the foregoing, there are no procedures to report with respect to the last fiscal year as to how the Manager directs Client transactions to a particular broker-dealer in return for Soft Dollar Services.

#### **Item 12.A.2.**

Future Fund does not select or recommend broker-dealers in exchange for client referrals.

#### **Item 12.A.3.**

Future Fund does not recommend, request, require, or permit a Client to direct the Manager to execute transactions through a specified broker-dealer.

#### **Item 12.B.**

The Manager may purchase or sell the same security for more than one Client contemporaneously at or near

the same time. It is the Manager's practice, where possible, to aggregate Client orders for the purchase or sale of the same security submitted at or near the same time. Such aggregation may enable the Manager to obtain for Clients a more favorable price or a better commission rate based upon the volume of a particular transaction. When an aggregated order is filled, the Manager allocates the securities purchased or proceeds of sale pro rata among the participating accounts, based on the purchase or sale order. Adjustments or changes may be made under certain circumstances, such as to avoid odd lots or excessively small allocations. If the order at a particular broker-dealer is filled at several different prices, through multiple trades, generally all such participating accounts will receive the average price and pay the average commission, subject to odd lots, rounding, and market practice. If an aggregated order is only partially filled, the Manager's procedures provide that the securities or proceeds are allocated in a manner deemed fair and equitable to Clients. Depending on the investment strategy pursued and the type of security, this may result in a pro rata allocation to all participating Clients.

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

#### **Items 13.A. and 13.B.**

Each Client account is reviewed by the portfolio manager of Future Fund on an ongoing basis to determine whether securities positions should be maintained in light of current market conditions. Matters reviewed include specific securities held, adherence to investment guidelines, and the performance of each Client account.

#### **Item 13.C.**

Limited Partners of the Fund typically receive, among other things, (i) a written copy of the audited financial statements of the Fund within 120 days after the fiscal year end of the Fund; and (ii) periodic written reports containing unaudited summary financial information regarding the Fund.

Future Fund will make available annual and semi-annual written reports that provide the most recent financial reports and portfolio listings for the ETF. The annual report contains a discussion of the market conditions and investment strategies that affected the ETF's performance during the ETF's most recently completed fiscal year.

Any reports with respect to the Separate Accounts are provided in accordance with each Separate Account's Governing Documents.

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

#### **Item 14.A.**

Future Fund does not directly or indirectly compensate any person for client referrals.

As noted in Item 12, Future Fund may receive certain Soft Dollar Services. These Soft Dollar Services may create an incentive for the Manager to select or recommend broker-dealers based on the Manager's interest in receiving the Soft Dollar Services of such broker-dealer, and may result in the selection of a broker-dealer on the basis of considerations that are not limited to achieving the lowest commission rates. Please see Item 12 for further information regarding Soft Dollar Services, including the Manager's procedures for addressing conflicts of interest that may arise from such practices.

Other than such Soft Dollar Services, Future Fund does not receive a direct economic benefit from any person who is not a Client for providing investment advice or other advisory services to Clients.

#### **Item 14.B.**

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

#### **Item 15. Custody**

Future Fund does not have custody of any Separate Account or ETF assets. If the Manager is deemed to have custody of any Separate Account's assets in the future, it will comply with Rule 206(4)-2 under the Advisers Act (the "**Custody Rule**").

Future Fund is deemed to have custody of the assets of the Fund because its related person, the General Partner, serves as the Fund's general partner. Fund assets are held at a qualified custodian. In compliance with the Custody Rule, the Fund will be subject to an annual audit by an independent public accountant registered with, and subject to regular inspection by, the Public Company Accounting Oversight Board. The audited financial statements of the Fund will be prepared in accordance with generally accepted accounting principles and distributed to the Fund's investors within 120 days of the end of the Fund's fiscal year.

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

Future Fund has discretionary authority to manage securities accounts on behalf of Clients pursuant to each Client's investment management agreement. The Manager will consider a Client's request to limit that authority if the Client seeks to restrict transacting in a specific security, and if that limitation does not materially affect Future Fund's investment strategy.

For the ETF, Future Fund's authority to trade securities is limited by certain federal securities and tax laws that, amongst others, require diversification of investments.

#### **Item 17. Voting Client Securities**

##### **Item 17.A.**

Future Fund has the authority to vote proxies on behalf of the Clients. Accordingly, the Manager understands its fiduciary responsibility to monitor corporate events, to vote proxies, and to cast votes in the best economic interests of its clients, and to put the interests of Clients ahead of its own interests.

Future Fund has adopted Proxy Voting policies and procedures (the "**Proxy Policy**") to ensure that proxies the Manager votes on behalf of the Clients are voted to further the best interest of each respective Client. The Proxy Policy establishes a mechanism to address any conflicts of interests between Future Fund and its Clients. If a material conflict of interest between Future Fund and a Client exists, Future Fund determines whether voting in accordance with the guidelines set forth in its Proxy Policy is in the best interest of the Client or whether it is necessary to take some other appropriate action.

Future Fund generally votes with board recommendations on routine matters.

Clients may obtain information regarding how Future Fund voted its securities by requesting records from the CCO, who is responsible for retaining all records related to proxy voting. Additionally, clients may obtain a copy of the Policy upon request of the CCO.



**Item 18. Financial Information**

Future Fund has not been the subject of a bankruptcy petition at any time during the past ten years, nor does it require or solicit prepayment of more than \$1,200 in fees per client, six months or more in advance. Future Fund does not have any financial condition that is reasonably likely to impair its' ability to meet contractual commitments to its Clients.