

# DISCLOSURE BROCHURE



## Part 2A of Form ADV

SEC #: 801-71044

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[ITEM 1: COVER PAGE](#)

September 17, 2021

VOLORIDGE INVESTMENT MANAGEMENT, LLC

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This brochure provides information about the qualifications and business practices of Voloridge Investment Management, LLC ("**VIM**", "**Firm**", "**we**", "**us**" or "**our**"). If you have any questions about the contents of this brochure, please contact us at (561) 231-5770. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission ("**SEC**") or by any state securities authority. Furthermore, the term "registered investment advisor" is not intended to imply that VIM has attained a certain level of skill or training.

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

**ITEM 2: MATERIAL CHANGES**

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This other than annual amendment to our brochure is dated September 17, 2021. The information contained on this material change page has not been approved or verified by the SEC or by any state securities authority. The material changes since our previous amendment dated March 31, 2021, include the following:

Item 9: Disciplinary Information: The Firm added a disciplinary event related to an offer of settlement with respect to a single infraction of a futures contract position limit.

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## ITEM 4: ADVISORY BUSINESS

VIM, a Florida limited liability company, was founded by David Vogel in 2009. We are a quantitative investment manager that specializes in using machine learning, artificial intelligence and mathematical modeling to manage multi strategy, absolute return hedge fund products. Our mission is to deliver superior risk-adjusted returns driven by an entrepreneurial environment that inspires unyielding passion, imagination, and commitment to excellence.

The Firm is registered with the SEC as an investment adviser and with the United States Commodity Futures Trading Commission ("**CFTC**") as a commodity pool operator ("**CPO**"). The controlling principals of VIM are:

<b>Name</b>	<b>Title</b>	<b>CRD#</b>
David S. Vogel	Manager, Chief Executive Officer and Chief Scientist	5750880
Barry S. Miller	Manager and President	2729056
Sean M. Hayes	Manager and Chief Marketing Officer	5866555

The Firm provides investment advisory services on a discretionary basis to its clients, which include private funds organized as domestic or foreign private pooled investment vehicles (the "**Funds**" or "**Clients**"). Certain Funds invest all or substantially all of their investible assets in other Funds in a master-feeder structure. As such, reference to a "Fund" or the "Funds" may include reference to the aggregate master-feeder structure, as the context requires. The Firm manages its Clients in accordance with the objectives, strategies, restrictions, and guidelines set forth in their respective confidential offering documents, and investment management agreements (the "**Governing Documents**"), and does not tailor investment decisions to any particular investor therein (each, an "**Investor**"). All descriptions of the Clients in this document, including, without limitation, to their investments, objectives, investment strategies, fees and other costs, conflicts of interest and relevant material risks, are qualified in their entirety by reference to the relevant Governing Documents for each such Client. This brochure does not constitute an offer of advisory services or an offer to sell or the solicitation of an offer to purchase any securities issued by any entity described herein.

The Funds may enter side letters and other agreements and arrangements with certain Investors, which may provide terms and conditions that are more advantageous than those set forth in the applicable Fund's Governing Documents. Such terms and conditions may include without limitation special rights to make future investments in the Funds, different transparency rights, reporting rights, different withdrawal/redemption rights and/or different fee terms.

As of December 31, 2020, our regulatory assets under management totaled: \$20.37 billion. We do not offer non-discretionary investment management services.

## ITEM 5: FEES & COMPENSATION

### **MANAGEMENT FEE AND INCENTIVE ALLOCATION**

VIM or the affiliated general partner, as applicable, typically charges fees that are based upon a set percentage of assets under management and performance. Set forth below are summaries of the fees payable by Investors in the Funds.

Please note that detailed disclosure about the fees and other expenses applicable to an investment in the Funds is provided in the Governing Documents for the applicable Fund. Those documents should be carefully reviewed prior to making an investment in the Funds.

The Firm as the investment manager of the Funds receives a management fee equal to a percentage of the month-end net asset value of the Investor's capital account, prior to the deduction of any accrued management fee or incentive allocation and after any distributions or withdrawals made for such month. The management fee is paid monthly in arrears by the Fund. The general partner of each master fund typically receives an incentive allocation at the end of each calendar year equal to a percentage of the net new profit (including unrealized gains and losses), if any, in respect of each Investor capital account. VIM or the general partner deducts fees from the Funds' assets. Investors do not have the ability to choose to be billed directly for fees incurred. The management fee and incentive allocation are negotiable in that VIM or the affiliated general partner reserves the right to waive, reduce or calculate differently such fees for Investors that are members, partners, affiliates or employees of VIM, members of the immediate families of such persons and trusts or other entities for their benefit, or for certain large or strategic Investors. Management fees and incentive allocation may vary based on the class or subclass of shares in which an investor subscribes.

Investors may redeem all or any part of the balance of its capital account as of the first day of any calendar month, with the required advance written notice given to VIM or the general partner in accordance with the Governing Documents (depending on the Fund, required notice period may be 30 or 90-days in advance). The Firm may require an Investor to withdraw all or any portion of its capital account as of month end, giving at least a 5-day written notice.

## FUND EXPENSES

Each Client typically pays their own expenses as set forth in the respected Governing Documents. Clients typically bear all costs and expenses associated with the ongoing offering fees and expenses, including, without limitation, legal expenses, accounting expenses, filing fees and expenses in connection with organizing and establishing the Funds; operational expenses, including, without limitation, expenses of administrators, custodians, legal counsel and accountants, ongoing regulatory expenses, consulting costs, insurance costs and expenses, bank service fees, travel, printing and mailing costs, costs and expenses associated with preparing investor communication, reporting and providing any other information to investors or prospective investors; research and brokerage expenses, such as software, research through Bloomberg terminals, software services, tools and functionality to assist with the Firm's predictive modeling; and fees and expenses payable to third-party contractors related to the research and development of certain investment and/or trading strategies.

VIM seeks to allocate expenses among its Clients in a fair and equitable manner, taking into account the extent that each Client benefits from the particular product or services. Depending upon the nature of the

expense, it could be allocated in proportion to the Clients' relative assets under management or relative use of the product, equally among all participating Clients or in another manner that VIM deems fair and equitable.

VIM renders its services to Clients at its own expense and will be responsible for its overhead expenses including office rent; utilities; furniture and fixtures; stationery; secretarial/internal administrative services; salaries and bonuses; entertainment expenses; employee insurance and payroll taxes.

Neither VIM nor any of its supervised persons accepts compensation for the sale of interests in the Funds.

**It is very important that Investors refer to their respective Fund's Governing Documents for a complete understanding of how the Firm is compensated for its advisory services. The information contained herein is a summary only and is qualified in its entirety by the relevant Fund Governing Documents.**

#### **ITEM 6: PERFORMANCE-BASED FEES & SIDE-BY-SIDE MANAGEMENT**

The Firm receives a management fee and an incentive allocation from the Funds as discussed in Item 5, "Fees & Compensation."

Please note that the possibility for the Firm or its affiliates to receive performance-based compensation creates a potential conflict of interest in that it may create an incentive to make investments that are riskier or more speculative than would be the case in the absence of such a performance-based fee. However, this incentive may be tempered by the fact that losses will reduce the Fund's performance and thus the fees earned. Investors are provided with clear disclosure as to how performance-based compensation is charged with respect to a particular Fund and the risks associated with such performance-based compensation prior to making an investment.

VIM is responsible for valuing Fund assets and assessing fees, including the management fee and incentive allocation, based on those valuations and in accordance with the respective Governing Documents. To help ensure that the pricing of Fund assets is fair and accurate, the Funds have engaged an administrator to provide certain services, including independent price verification of Fund investments and independent calculation of the fees.

The Firm recognizes that it is a fiduciary and, as such, must act in the best interests of Clients. Further, the Firm recognizes that it must treat all Clients fairly and must refrain from favoring one Client's interests over another's. VIM has adopted policies and procedures designed to address conflicts of interest, including procedures regarding the allocation and aggregation of investment opportunities among Clients and a Code of Ethics (the "**Code**"), which includes a standard of business conduct and establishes policies and procedures with regard to personal securities transactions of VIM's personnel.

## **ITEM 7: TYPES OF CLIENTS**

The Firm's only clients are its private funds. The Firm will determine if you fit the criteria to invest in our Funds, and a private placement memorandum ("**PPM**") will be provided to you. The Firm reserves the right to be selective on who can invest in our Funds based on criteria including investor suitability, investor time horizon, prospective capital an investor may commit, and the relationship of the investor to the Firm. The PPM discloses possible conflicts of interest and inherent risks.

You may invest in any of the domestic private funds if you are (i) an "accredited investor" as defined in Rule 501(a) of Regulation D under the U.S. Securities Act of 1933 and (ii) a "qualified purchaser" as defined in Section 2(a)(51) of the Investment Company Act and the regulations promulgated thereunder. In addition to being an accredited investor and a qualified purchaser, you must be a non-US or a US tax-exempt investor to purchase shares in any of the foreign private funds. Additionally, minimum initial capital contributions apply as outlined in the PPM for the respective Fund.

If a Funds' capacity limit has been reached, the Firm has broad discretion to determine whether Investors will be forced to withdraw/redeem from the Fund(s). This broad discretion includes the ability to force withdrawals/redemptions of some Investors while permitting others to stay invested. Advisors, affiliates and friends and families, as well as strategic investors, will take precedence regarding available capacity.

## **ITEM 8: METHODS OF ANALYSIS, INVESTMENT STRATEGIES & RISK OF LOSS**

In analyzing equities and futures contracts, we will use a combination of proprietary quantitative analysis techniques to gather information and to guide us in our investment decisions. We conduct technical analysis using current and historical pricing information to help us identify trends in equity and global futures markets, and in the underlying assets themselves. This may involve the use of various technical indicators, such as moving averages and trend-lines, among many others. In addition, we conduct quantitative and fundamental analysis to understand the behavior of a security using mathematical and statistical modeling to identify consistent patterns. Mathematical and statistical modeling helps us to ascertain potential security price movement and risk, to ultimately help identify profitable opportunities.

### **INVESTMENT STRATEGY**

The Firm's investment strategies are generally based on quantitative and fundamental research, quantitative analysis, and capital market opportunities. The strategies may be internally developed or licensed or acquired from third-party researchers and developers. Through careful analysis, the Firm has created and/or may acquire strategies from third parties that seek to identify price movements in securities and other asset classes.

Using a range of quantitative tools and analysis, the Firm seeks to identify profit opportunities, to construct portfolios in a cost-efficient manner and to manage the overall risk of the Funds' portfolios consistent with the aim of producing superior risk-adjusted returns. The Firm will implement systematic-based trading strategies utilizing a variety of securities, futures contracts, other asset classes and financial instruments.

The Funds may engage in block transactions. Certain Funds may have exposure to profits and losses attributed to new issues as defined under the rules of the Financial Industry Regulatory Authority, see the respective PPM for further information and risk disclosures.

**It is very important that Investors in the Funds refer to the respective Fund's PPM and other Governing Documents for a complete understanding of the Firm's investment strategies and methods of analysis. The information contained herein is a summary only and is qualified in its entirety by the relevant Fund's PPM and Governing Documents.**

## MANAGING RISK

Regardless of the quantitative analysis we use to guide us in the management of our Client's accounts or the risk protections we employ with our investment strategies, the most important thing for you to understand is that investing in a financial instrument involves a significant risk of loss that you should be willing and prepared to bear; and furthermore, past performance is no guarantee that you will see equal or better future returns on your investment. Risk factors are discussed in detail in the Funds' respective PPM.

Here are some of the risk factors related to our investment strategies that Investors should take into consideration:

*General Investment Risk* – You are aware that no approach to investing can guarantee profits or avoid losses, and past performance is no guarantee of future results. Therefore, we cannot, and do not, guarantee or otherwise represent that your investment objectives will be realized. You understand that investment decisions made by us are subject to various business, market, economic, political and legal risks, that those investment decisions will not always be profitable, and that your assets may experience a loss of all, a substantial portion of, or in some cases more than, their value.

*Strategy Risk* – the risk that the Fund's investment strategies and/or investment techniques may not work as intended.

*Institutional Risk* – the risk that the Funds could incur losses due to: (i) the failure of counterparties to perform their contractual commitments to the Funds (if any) or (ii) the financial difficulty of brokerage firms, banks or other financial institutions that hold the assets of the Funds.

*Fund Structure Risk* – the special considerations and risks arising from the operation of certain provisions of the Fund's Governing Documents.

*Operational Risk* – the special considerations and risks arising from the day-to-day management of a pooled investment vehicle like the Funds.

*Tax Risk* – the special considerations and risks arising from the operations of an investment vehicle treated as a partnership for tax purposes.

*Currency Risk* – Your funds will be held in US dollars and are subject to currency fluctuations as compared to a global basket of currencies, which may adversely impact value.



*Hardware and Software Risk* – Our trading model relies on significant hardware and software capacity, which we may not be able to manage. No system is foolproof. Our access to execute trades is through the internet and we may not be able to execute trades in a timely manner or at all for a significant period.

*Cybersecurity Risk* – With the increased use of technologies such as the internet to conduct business, a portfolio (such as the Funds) is susceptible to operational, information security and related risks. In general, cyber incidents can result from deliberate attacks or unintentional events and are not limited to gaining unauthorized access to digital systems, and misappropriating assets or sensitive information, corrupting data, or causing operational disruption, including the denial-of-service attacks on websites. Cyber security failures or breaches by a third party service provider and the issuers of securities in which the portfolio invests, have the ability to cause disruptions and impact business operations, potentially resulting in financial losses, the inability to transact business, violations of applicable privacy and other laws, regulatory fines, penalties, reputational damage, reimbursement or other compensation costs, and/or additional compliance costs, including the cost to prevent cyber incidents in the future.

*Governmental Regulation* – We are subject to a significant amount of government regulation, particularly with respect to securities regulation. Furthermore, compliance with certain government-imposed regulations may prove to be very costly and time consuming and may have a material adverse effect on performance.

*Intense Competition* – The market for financial services is highly competitive and subject to intense competition. We will be competing against managers with more experience and greater resources.

*Political, Economic and Other Conditions* - The Fund's investments may be adversely affected by changes in economic conditions or political or other events that are beyond its control. For example, a stock market downturn, continued threats of terrorism, the outbreak of hostilities involving the United States or any other jurisdiction in which the Fund invests, Brexit, a U.S.-China trade war, the death of a major political figure, or the overthrow or replacement of a current ruling body may have significant adverse effects on the Fund's investment results. Additionally, a serious pandemic, such as the recent outbreak of the highly transmissible and pathogenic novel coronavirus, or a natural disaster, such as a hurricane, could severely disrupt the global, national and/or regional economies and/or markets. Other factors, such as changes in U.S. or non-U.S. tax laws, U.S. or non-U.S. securities laws, bank regulatory policies or accounting standards, may make corporate acquisitions less desirable. Similarly, legislative acts, rulemaking, adjudicatory or other activities of the U.S. Congress, the SEC, the U.S. Federal Reserve Board, the New York Stock Exchange, FINRA or other U.S. or non-U.S. governmental or quasi-governmental bodies, agencies and regulatory organizations may make the business of the Fund less attractive. A negative impact on economic fundamentals and consumer confidence may negatively impact market value, increase market volatility and cause credit spreads to widen, each of which could have an adverse effect on the investment performance of the Fund.

*Epidemics, Pandemics and Covid-19* - Many countries have been susceptible to epidemics, such as severe acute respiratory syndrome, avian flu, H1N1/09 flu and, currently, the coronavirus "Covid-19" which the World Health Organization has declared to be a pandemic. Countries that already have suffered outbreaks of Covid-19 are likely to suffer a continued increase in recorded cases of the disease. Furthermore, the

disease is likely to spread to additional countries around the world. A continued escalation in the COVID-19 outbreak could see a continual decline in global economic growth (some economists have warned that global economic growth could be cut by more than half and that countries and the global economy could be plunged into recession). Many businesses around the world have curtailed their travel and meeting plans. This is likely to slow business activity, including in particular international business activity. The spread of Covid-19 may have an adverse impact on the Fund. The impact of a viral pandemic in certain areas with large and crowded cities may be especially severe. In consumer goods, for example, customers may delay discretionary spending and travel plans because of concern about the pandemic. The banking industry, and in particular, the consumer finance sector, may be significantly affected by credit losses resulting from financial difficulties of borrowers impacted by Covid-19. Certain governmental regulators have imposed limitations on short sales of equity securities, which may impact the Investment Manager's ability to trade in certain equities and/or equity index derivatives. Covid-19 may trigger employees of the Investment Manager and certain other service providers to the Fund to be absent from work or work remotely for prolonged periods of time. The ability of the employees of the Investment Manager and/or other service providers to the Fund to work effectively on a remote basis may adversely impact the day-to-day operations of the Fund. Any similar future outbreak or pandemic could have similar potential adverse effects on the global economy, the Investment Manager and/or the Fund.

*Dependence on Key Personnel* – We believe our success will depend to a significant extent on the efforts and abilities of our principals, particularly our founder, David Vogel. If he or any of those persons is unable to perform for any reason, the likelihood of success would be reduced unless a person or persons with similar experience and management experience could be hired.

*Quantitative Trading Strategies* - Our strategies are highly dependent on pricing theories and valuation models that generally have not been independently tested or otherwise reviewed ("**Models**"), which we use to evaluate trading opportunities. Models employ assumptions that abstract a limited number of variables from complex financial markets or instruments that they attempt to replicate. Any one or all of these assumptions, whether or not supported by past experience, could prove over time to be incorrect. For example, Models may postulate, or their efficacy may depend on assumptions regarding the existence of relationships that appear to hold true or in fact held true in the past but that may not exist or hold true in the future. Inputs into various Models may be composed of or derived from facts or data, the accuracy of which may not have been independently verified by us or any third party. In particular, if material factors are not incorporated into Models, or are incorporated inaccurately, substantial losses could result, including on the basis of theoretical Models (that later prove incorrect) that identify positions that appear to have minimal risk. The outputs of Models may differ substantially from the reality of the markets, resulting in major losses. Additionally, there is no assurance that we have appropriately incorporated the Models into our strategies.

*Trading Cost* – You will be subject to substantial fees and transaction costs due to frequent trading of our strategy. Accordingly, you must earn substantial trading profits to avoid depletion of account due to such costs.

*Model Degradation Over Time* – Predictive models degrade over time and must be continually monitored and upgraded.

*Inability to Execute at Favorable Prices* – We employ sophisticated trading techniques to execute at favorable prices, but there can be no assurance that these techniques are able to purchase and sell securities at ideal prices.

*Extreme Market Movements* – Financial markets are very difficult to predict and may move rapidly in a very short period. There is no assurance that we will be able to protect against adverse market changes.

*Side Letter Risk* - We may enter side letters with some but not all of the Investors in the Fund, granting certain investors more favorable special terms than other investors.

**It is very important that Investors refer to the respective Fund's PPM and Governing Documents for a complete understanding of the material risks involved with the Funds' investment strategies. The information contained herein is a summary only and is qualified in its entirety by the relevant PPM and Governing Documents.**

#### **ITEM 9: DISCIPLINARY INFORMATION**

On February 4, 2021, without admitting or denying the rule violation, the Panel of the Chicago Board of Trade ("CBOT") Business Conduct Committee found that at the close of business on May 26, 2020 and May 27, 2020 VIM exceeded the all-month position limit for soybean meal futures contracts. On May 28, 2020, after realizing it was over the limit, VIM liquidated its overage to bring its position into compliance, resulting in a profit of \$72,318. VIM agreed to a settlement offer that required payment of a \$25,000 fine and disgorgement of the profits resulting from the liquidation of the position limit overage. The cost of the fine and disgorgement was borne by VIM.

#### **ITEM 10: OTHER FINANCIAL INDUSTRY ACTIVITIES & AFFILIATIONS**

The Firm is also a member of the National Futures Association ("**NFA**") and operates the Funds pursuant to an exemption under Section 4.13(a)(3) of the Commodity Exchange Act. VIM employs certain personnel that are registered with the NFA as associated persons and/or principals.

VIM and certain of its related persons act as sponsor, general partner, and/or manager of the Funds, which are part of master-feeder fund structures. VIM, its affiliates, employees and/or their related persons may invest directly in the Funds. It should be noted that investments in the Funds made by such persons may not be subject to the management fees and/or performance-based fees.

David Vogel serves as a member of the CFTC's Market Risk Advisory Committee - Climate-Related Market Risk Subcommittee. Officers, directors, employees of the investment manager, and other affiliated persons of the Firm from time to time may serve on various committees and boards of the CFTC, United States futures exchanges and the NFA and assist in making rules and policies of the CFTC, exchanges and the NFA. In such capacity they have a fiduciary duty to the CFTC, the exchanges on which they serve and the NFA

and are required to act in the best interests of such organizations, even if such action may be adverse to the interests of the Funds.

VIM is a member of VoLo Earth Ventures Management, LLC ("**VoLo Earth**"), an unregistered investment manager to private equity/venture capital funds. VIM is also a member of VoLo Earth Venture Partners I GP, LLC, which is the general partner of VoLo Earth Ventures Impact Fund I, LP ("**VoLo Earth Ventures**"). This is a venture capital fund that makes debt and equity investments in start-up and early stage private companies, outside the scope of VIM's investment universe. David Vogel acts in a founding advisory role. VIM and Volo Earth do not share resources or personnel.

## **ITEM 11: CODE OF ETHICS, PARTICIPATION OR INTEREST IN CLIENT TRANSACTIONS & PERSONAL TRADING**

### **CODE OF ETHICS**

As a fiduciary, we have a duty to always act in the best interest of our Clients. To maintain this ethical responsibility, the Code establishes the fundamental principles of conduct and professionalism expected by all personnel in discharging their duties. Our Code is designed to deter inappropriate behavior and promote honest and ethical conduct, full, fair and accurate disclosure, compliance with applicable rules and regulations, and reporting of any violation of the Code, and accountability. To help you understand our ethical culture and standards, how we control sensitive information and what steps have been taken to prevent personnel from abusing their inside position, a copy of the Code is available for review upon request. We have a fiduciary duty to ensure the welfare of our Clients is not subordinated to any interests of ours or any of our personnel. The following disclosures are internal guidelines we have adopted to assist us in protecting our Clients.

### **PERSONAL TRADING**

Our employees are permitted to personally invest in equities and futures, which may also be, from time to time, purchased or sold in the Funds. To ensure our fiduciary integrity we implemented certain guidelines including without limitation:

- No employee shall buy or sell securities for their personal portfolio(s) where their decision is substantially derived, in whole or in part, because of his or her employment, unless the information is also available to the investing public on reasonable inquiry.
- No employee shall prefer his or her own interest over those of the Firm's Clients.
- Employees provide annual holdings and quarterly transactions reports.
- Employee personal transactions are subject to certain restrictions and pre-clearance and holding period requirements.
- We require that all employees act in accordance with all applicable Federal and State regulations governing registered investment advisory practices.
- Bunched orders (See Aggregating Trade Orders below) will not include employee accounts.

- Any individual not in observance of the above is subject to termination.

Personal trading activities are monitored by our Compliance Department to ensure that such activities do not negatively impact Client accounts or create conflicts of interest.

## CONFLICTS OF INTEREST

VIM also has adopted policies and procedures intended to prevent employees from being unduly influenced in their decisions by the receipt of gifts or other inducements from third parties, such as brokers, trading counterparties or vendors. VIM employees are required to seek approval to keep certain business gifts and are required to seek pre-approval to give certain types of business gifts. In addition, VIM's policies set forth standards for receiving and providing business entertainment from or to certain third parties, using social media for business purposes and interacting with the government, among other things.

VIM uses its best efforts in connection with the purposes and objectives of Clients and will devote so much of its time and effort to the affairs of Clients as may, in its judgment, be necessary to accomplish the purposes of Clients. VIM and its officers, directors, or employees will devote such time to the management of Clients as they deem necessary. However, they are also responsible for advising or providing services to other accounts which may include their own accounts, and may organize, manage and advise investment funds or other entities with objectives similar or different from those of Clients. Conflicts of interest may arise in allocating investment opportunities, management time, services or other functions amongst Clients and such other accounts.

## ITEM 12: BROKERAGE PRACTICES

### CUSTODIAL SERVICES

The Firm has sole discretion over the purchase and sale of investments and the broker-dealers used to effect transactions for the Funds. The Firm will seek the best price and execution available except to the extent it may be permitted to pay higher brokerage commissions in exchange for brokerage and research services. Brokers are selected based on the competitive transaction charges, the speed of execution, trading platform, on-line services for account administration, operational support, general reputation, trading capabilities, investment inventory, their financial strength, and our personal experience working with the brokers.

We are not a subsidiary of or affiliated with the brokers, in any manner. We have sole responsibility for investment advice rendered, and advisory services are provided separately and independently from the brokers.

We receive economic benefits through our relationship with the brokers, that are typically not available to their retail clients. These benefits include the following products and services (provided without cost or at a discount): consulting services; access to a dedicated trading desk; and access to an electronic communications network for order entry and account information.

VIM may place transactions with a broker or dealer that (i) provides VIM with the opportunity to participate in capital introduction events sponsored by the broker-dealer or (ii) refers investors to the Funds. Because such referrals, if any, are likely to benefit VIM and its affiliates but will provide an insignificant (if any) benefit to investors, VIM will have a conflict of interest with Clients when allocating Client brokerage business to a broker who has referred investors to Clients (a “**Referring Broker**”). In light of this conflict, it should be noted that VIM will only place transactions with a Referring Broker if doing so is otherwise consistent with seeking best execution; provided that, VIM is not selecting the broker-dealer in recognition of the opportunity to participate in such capital introduction events or the referral of investors.

### SOFT DOLLARS

We have soft dollar arrangements with some of our broker dealers that allows us to obtain research, data and other services, pursuant to Section 28(e) of the United States Securities Exchange Act of 1934 (“**Section 28(e)**”). Section 28(e) provides a “safe harbor” to investment advisers who use soft dollars generated by their advised accounts to obtain investment research and brokerage services, that provide lawful and appropriate assistance to us in the performance of investment decision-making responsibilities. We only utilize soft dollars that are permissible under the safe harbor. Access to, and use of, such products and services, will be for the benefit of all Funds and not just limited to the Fund(s) that may have generated commissions/transaction fees to the broker dealers.

In some instances, VIM may receive a product or service that may be used only partially for functions within Section 28(e). In such instances, VIM will make a good faith effort to determine the relative proportion of the product or service used to assist VIM in carrying out its investment decision-making responsibilities and the relative proportion used for administrative or other purposes outside Section 28(e). The proportion of the product or service attributable to assisting VIM in carrying out its investment decision-making responsibilities will be paid through brokerage commissions generated by Client transactions and the proportion attributable to administrative or other purposes outside Section 28(e) will be paid for by VIM from its own resources.

### AGGREGATING TRADE ORDERS

Our objective in order execution is to act fairly, impartially, and to take all reasonable steps to obtain the best possible results (known as “best execution”) for the Funds. We generally bunch eligible orders with the guideline that: (i) the bunching of orders is done for achieving best execution; and, (ii) the Funds are not systematically advantaged or disadvantaged by bunching the orders. That said, we may still execute orders for fewer than all accounts for a given order due to changes in asset levels in accounts and the pari passu nature of tying accounts.

### ALLOCATION OF STRATEGIES

VIM faces conflicts of interest in allocating strategies among the Clients because VIM has an incentive to favor accounts with more favorable fee arrangements, and allocation decisions sometimes involve subjective determinations by VIM. Subject to the applicable Governing Documents, VIM determines the strategy allocation between Client accounts, and the relative strategy mix and exposures for each such



account, based upon the expected characteristics of each strategy and the intended characteristics of each account, including, without limitation, investment objectives, investment universe, markets traded, instruments traded, target volatility, holding period, risk tolerance, capital requirements, account capital (including as a result of subscriptions and redemptions), return objectives and liquidity considerations. VIM may determine that an investment opportunity is appropriate for one Client, but not for another Client. Allocation decisions will be based on subjective factors and, if a strategy is allocated to multiple accounts, such allocation may not be proportionate to each account's net asset value. Clients will not be entitled to participate in any strategies other than those allocated to such Client by VIM. In the future, VIM may manage additional clients with different characteristics, and VIM will consider such clients' or accounts' characteristics when making strategy allocation decisions.

### **ITEM 13: REVIEW OF ACCOUNTS**

The Funds are reviewed by our back office and operations team daily. All Funds are reviewed in the context of our investment strategies and include specific securities held, adherence to investment guidelines, and analyzing certain risk parameters and the performance of portfolios. The Investors receive monthly investor statements from the Fund administrator.

### **ITEM 14: CLIENT REFERRALS & OTHER COMPENSATION**

#### **CLIENT REFERRALS**

We do not pay third parties to solicit clients.

#### **OTHER COMPENSATION**

We receive an indirect economic benefit from our broker dealers (See "Custodial Services" above under Item 12, "Brokerage Practices" for more detailed information on these services and products.)

We receive economic benefits from your investment in the Fund(s). These benefits could be, but are not limited to, an increase in: advisory/consulting fees, salaries, and incentive allocation/fees should you choose to invest in the Fund(s). Before investing in any of our Funds, you should consider other investment opportunities to compare expenses and returns to other private investment vehicles.

### **ITEM 15: CUSTODY**

We do not take possession of or maintain physical custody of Client funds or securities. Client assets are instead maintained in accounts with qualified custodians. The Firm and certain affiliates are, however, deemed to have custody of Fund assets by virtue of their status as investment manager and general partner or manager of investment vehicles.

Investors in the Funds will be provided with audited financial statements, prepared by an independent accounting firm that is registered with, and subject to review by, the Public Company Accounting Oversight Board, in accordance with U.S. Generally Accepted Accounting Principles, within 120 days of the end of the Funds' fiscal year (i.e., generally by April 30<sup>th</sup>). Investors should carefully review such audited financial statements.

#### **ITEM 16: INVESTMENT DISCRETION**

The Funds' Governing Documents set forth our authority to buy and sell equities or futures contracts in amounts that are determined to be appropriate. By completing the subscription documents to acquire interests or shares in one of the Funds, you give us the authority to manage your investments in accordance with the respective Fund's Governing Documents. Interests or shares may be issued in classes and subclasses as the general partner or investment manager may determine, as set forth in the PPM.

#### **ITEM 17: VOTING CLIENT SECURITIES**

VIM has authority to vote Clients' securities and has adopted proxy voting policies and procedures designed to act in the best interest of Clients. VIM only implements systematic trading strategies that are not dependent on the outcome of proxy contests. Consequently, VIM does not vote proxies as it has determined that the cost of voting proxies would outweigh any potential benefits to our Clients.

#### **CLASS ACTION POLICY**

As a general policy, we do not elect to participate in class action lawsuits related to the securities we purchase. The Fund may receive proceeds from a class action settlement at some point in time after the event that gave rise to the class action occurred. Only those Investors who are Investors at the time the settlement proceeds are received will share in such proceeds.

#### **ITEM 18: FINANCIAL INFORMATION**

We are not required to include financial information in our Disclosure Brochure since we will not take physical custody of Client funds or securities or bill Client accounts six (6) months or more in advance for more than \$1,200. We are not aware of any current financial conditions that are likely to impair our ability to meet our contractual commitments to you.

#### **END OF DISCLOSURE BROCHURE**