

## ITEM 1: COVER PAGE

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### PART 2A OF FORM ADV: FIRM BROCHURE



## Numeric Investors LLC

March 30, 2022

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**This brochure provides information about the qualifications and business practices of Numeric Investors LLC (“Numeric”). If you have any questions about the contents of this brochure, please contact us at 617-897-7800 or [compliance@numeric.com](mailto:compliance@numeric.com). 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.**

*Numeric is registered as an investment adviser with the SEC. Registration with the SEC does not imply any level of skill or training and no inference to the contrary should be made.*

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

**ITEM 2: MATERIAL CHANGES**

Numeric Investors LLC's last update to its brochure was May 6, 2021. Since this update, the following amendments have been made to the brochure that may be deemed to be material:

- Item 4 has been updated regarding the types of advisory services provided and strategies offered
- Item 5 has been updated to reflect certain changes to Numeric's standard fee schedule and certain fee and expense information
- Item 8.A. has been modified to include an updated explanation of Numeric's model categories
- Item 8.B. has been updated with regards to certain risk disclosures
- Item 10 has been updated to include certain affiliates

**Even though a concerted effort is made to keep clients/investors informed of notable changes to Numeric's business throughout the year, clients/investors are encouraged to review this update, much like all of Numeric's reports and communications, in its entirety.**

**ITEM 3: TABLE OF CONTENTS**

ITEM 1: COVER PAGE .....	i
ITEM 2: MATERIAL CHANGES .....	ii
ITEM 3: TABLE OF CONTENTS .....	iii
ITEM 4: ADVISORY BUSINESS .....	1
ITEM 5: FEES AND COMPENSATION.....	4
ITEM 6: PERFORMANCE-BASED FEES AND SIDE-BY-SIDE MANAGEMENT .....	9
ITEM 7: TYPES OF CLIENTS .....	10
ITEM 9: DISCIPLINARY INFORMATION .....	26
ITEM 10: OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS .....	26
ITEM 11: CODE OF ETHICS, PARTICIPATION OR INTEREST IN CLIENT TRANSACTIONS AND PERSONAL TRADING .....	28
ITEM 12: BROKERAGE PRACTICES .....	32
ITEM 13: REVIEW OF ACCOUNTS.....	36
ITEM 14: CLIENT REFERRALS AND OTHER COMPENSATION.....	37
ITEM 15: CUSTODY .....	38
ITEM 16: INVESTMENT DISCRETION.....	38
ITEM 17: VOTING CLIENT SECURITIES.....	39
ITEM 18: FINANCIAL INFORMATION .....	41

## ITEM 4: ADVISORY BUSINESS

### ***Firm Background***

The firm was founded in 1989 as Numeric Investors L.P. As part of a reorganization, Numeric Investors LLC (“Numeric”) was formed on January 22, 2004 and carried on the firm’s business. Numeric is a wholly owned subsidiary of Numeric Midco LLC, which is wholly-owned by Numeric Holdings LLC (“Numeric Holdings”), both Delaware limited liability companies.

In 2014, Numeric Holdings became a majority-owned indirect subsidiary of Man Group plc (“Man”), which is listed on the London Stock Exchange and a member of the FTSE 250 Index (Ticker: EMG). In September 2019, Man acquired the remaining portion of the equity of Numeric Holdings so that it is now an indirect, wholly-owned subsidiary of Man. Through its investment management subsidiaries, Man is a global investment management business that provides a range of fund products and investment management services for institutional and private investors globally. As of December 31, 2021, Man had approximately \$148.6 billion of assets under management<sup>1</sup>.

Man provides a number of centralized functions to Numeric, which includes trading, cash management, risk management, operations, middle office accounting, finance, proxy voting, class actions, human resources, facilities, tax, legal, compliance, and information technology among other such services. Numeric utilizes portfolio analysis, investment management, research, client servicing, sales and marketing capabilities of its affiliates in providing services to its clients.

Certain affiliated advisory firms are considered to be “Participating Affiliates” of Numeric (as that term is used in relief granted by the staff of the Securities and Exchange Commission (“SEC”)) allowing investment advisers registered with the SEC to use portfolio management, research, operations, and trading resources of advisory affiliates and personnel subject to the supervision of an SEC-registered adviser. Professionals from such Participating Affiliates may render portfolio advisement, research, and other related services to Numeric clients and/or Numeric as affiliated “associated persons” of Numeric and are subject to supervision by Numeric. Fees may be paid by and received from the parties under these arrangements.

*This brochure generally includes information about Numeric and its relationships with its clients and affiliates. While much of this brochure applies to all of Numeric’s clients, certain information applies to specific clients only. Important information regarding each Private Fund and Separate Account, which may include investment objectives, risks, strategy, fees and other material information, including applicable conflicts of interest regarding relationships with affiliates, is contained in each Private Fund’s offering documents and in each Separate Account’s investment management agreement, as the case may be.*

### ***Types of Advisory Services***

**Clients and Products.** Numeric provides investment advisory services for U.S. and non-U.S. taxable and tax-exempt clients (collectively, “clients”). Numeric’s clients are primarily

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<sup>1</sup> Man assets under management as stated in the Man Group plc Annual Report include advisory-only assets over which Man has no decision making or trading authority and managed account platform services for which Man provides platform and risk management services but does not provide investment management services.

institutions that invest through separately managed accounts (“Separate Accounts”); however, Numeric also provides investment advisory services to privately offered pooled investment funds sponsored by Numeric (“Private Funds”). Numeric also provides sub-advisory services to certain other pooled investment funds, including but not limited to open-end investment companies (“Mutual Funds”) that are registered as such under the Investment Company Act of 1940, as amended (the “Investment Company Act”) and affiliated Undertakings for Collective Investment in Transferable Securities funds (“UCITS Funds” and, together with the Mutual Funds, the “Sub-Advised Funds”). The Private Funds and Sub-Advised Funds may be referred to herein collectively as the “Funds.” Numeric may offer non-discretionary investment advice and recommendations to clients, including affiliates.

*Separate Accounts.* Discretionary investment advisory services are provided by Numeric through separately managed account arrangements pursuant to advisory and sub-advisory contracts, which incorporate investment guidelines and restrictions. Advisory contracts are typically negotiated to meet the specific needs of the particular client.

*Private Funds.* Numeric also provides investment advisory services to privately offered pooled investment funds sponsored by Numeric. The Private Funds rely upon the exemptions provided by Regulations S and D under the Securities Act of 1933, as amended, for all offerings and sales of the Private Funds. The Private Funds are not registered as investment companies under, or otherwise subject to the provisions of the Investment Company Act, in reliance upon an exclusion from the definition of “investment company” provided in the Investment Company Act. Investment guidelines and objectives for the Private Funds are set forth in the private placement memorandum and the organizational documents for each Private Fund. Private Funds may include one or more funds that Numeric, affiliates or employees have seeded or invested over 25% of the capital of such Private Funds.

*Sub-Advised Funds.* Numeric provides sub-advisory services to certain other pooled investment funds.

*Model Portfolio Services.* Numeric provides model portfolio services through separately managed model portfolio arrangements whereby Numeric provides portfolio recommendations in accordance with client investment guidelines and restrictions as detailed in the client’s advisory contract. Numeric does not have decision making or trading authority for such model portfolios.

Numeric may offer non-discretionary investment advice and recommendations to clients, including affiliates, who, in turn, may use such advice to make discretionary investment management decisions for and on behalf of their own accounts or their clients’ accounts.

Strategies. Numeric manages assets in domestic and international strategies. All strategies (other than Numeric’s credit strategies strategies) invest primarily in publicly traded equity securities. Numeric’s credit strategies invests primarily in corporate bonds. Some strategies also invest in single equity swaps while others invest in equity index futures or swap contracts. Equity swaps are derivative contracts where a set of future cash flows are agreed to be exchanged between two

counterparties at set dates in the future, thereby giving each party to a swap contract synthetic exposure to the underlying equity security. Equity index futures are futures contracts used to replicate the performance of an underlying stock market index. Equity index futures generally are used for cash flow management, hedging against an existing equity position or for speculating on future movements of an index.

Long only investment strategies are driven by quantitative investment principles which seek to outperform certain agreed upon benchmarks. Hedged investment strategies are driven by quantitative investment principles which seek to maximize total return while managing risk within specified parameters. Strategies offered currently include:

- Long-only equity portfolios (containing only long equity positions), for both developed market (including both global and regionally focused strategies such as US, Europe, Japan and Australia) and emerging market strategies, including dedicated China A strategies;
- High yield and investment grade fixed income portfolio (containing primarily long debt positions);
- Hedged portfolios (containing offsetting long and short positions), for United States, Global and Emerging Markets strategies;
- Equitized hedged portfolios (containing offsetting long and short positions plus index futures sufficient to give the portfolio equity market exposures), for United States and Global strategies;
- Active extension long/short portfolios (approximately 30% long and 30% short positions for a 60% market-neutral portfolio, coupled with a 100% traditional long-only portfolio) for China A, United States, Emerging Markets and International strategies; and
- Absolute return portfolios that cover both Developed and Emerging Markets equities, as well as United States credit.

Quantitative Models. Numeric's quantitative process utilizes internally developed securities-selection models. By breaking up the investable universe of securities into brackets along proprietary criteria, the most influential model or models in determining a security's expected performance in that particular bracket can be emphasized. The combined score for each security is the primary driver of investment decisions.

### ***Tailoring of Advisory Services***

Numeric will tailor its advisory services to the individual needs of its clients. Clients are able to impose reasonable restrictions on the securities or types of securities purchased on their behalf for a Separate Account, provided that the client supplies Numeric in advance with such information as it determines is reasonably necessary to apply the restrictions.

Numeric's management of each Private Fund, and the terms of any investor's investment in a Private Fund, are governed exclusively by the terms of that Private Fund's organizational documents, private placement memorandum, limited partnership agreement or memorandum and articles of association, investment management agreement, subscription agreement and other governing documents (collectively, the "governing documents"). The sub-advisory services provided by Numeric to the Sub-Advised Funds are governed by the terms of the agreement between Numeric and the Sub-Advised Fund's investment adviser, as well as other governing documents (collectively, the "Sub-Advised Fund governing documents"). All discussions in this brochure of the Funds, their investments, the strategies Numeric uses in managing the Funds, and the fees associated with an investment in the Funds are qualified in their entirety by reference to the relevant Private Fund or Sub-Advised Fund governing documents.

Numeric does not participate in wrap fee programs.

### ***Client Assets Under Management***

As of December 31, 2021, Numeric had approximately \$47.1 billion in regulatory assets under management.

## **ITEM 5: FEES AND COMPENSATION**

### ***Fee Structures***

Numeric offers fee structures that are based on assets under management, investment performance, a combination of both, or assets under advisement. Performance-based fees, if applicable, will be charged in compliance with Rule 205-3 of the Investment Advisers Act of 1940, as amended (the "Advisers Act").

Numeric's minimum portfolio size for Separate Accounts is generally \$50 million, depending on the strategy, although Numeric will accept smaller portfolios at its discretion.

As permitted, Numeric or its affiliates may from time to time in its sole discretion and out of its own resources decide to rebate part or all of the management and/or performance fees, and/or distribution fees to some or all investors or to intermediaries.

Numeric or affiliates may pay a portion of its fees to distributors or intermediaries of the Funds.

Numeric's fees and compensation will be shared from time to time with its affiliates.

Certain UCITS Funds pay an administration fee to the manager of the UCITS Funds which is an affiliate of Numeric (the "Manager") of 0.30% per annum of the average net asset value payable monthly in arrears. The administration fee is used to pay the services of the administrator and administrative support services of the Manager as further described in the UCITS Funds' prospectus. Certain non-U.S. share classes of certain UCITS Funds may be subject to an up-front sales charge of up to 5% of the initial amount invested payable to an affiliate of Numeric, as further described in the UCITS Funds' offering documents. The sales charge may be paid entirely or partially to intermediaries or other persons. Certain share classes in the UCITS Funds may be subject to distribution fees which generally range from 1% to 1.25% per annum of the net asset

value paid monthly, which may be used for distribution and sales costs of the shares, including payments to affiliated and/or unaffiliated distributors.

***Standard Fee Schedules***

A fee schedule is omitted because this Brochure is being delivered only to qualified purchasers, as defined in section 2(a)(51)(A) of the Investment Company Act.

Numeric does not have a standardized fee schedule. The Private Funds may have different share classes which may have different fee schedules. Fees for Separate Account clients and Private Funds may be negotiable or waived depending upon a variety of factors, including, among other things, type and extent of advisory services offered, amount of assets under management, the overall relationship with the Separate Account client or Private Fund investor, and other services offered to the Separate Account client or Private Fund investor.

Numeric generally receives an annual management fee or fixed fee in a range of up to 1.65% of a Separate Account or Private Fund's assets under management, payable monthly, quarterly or semi-annually in arrears. Fees vary by Fund and by class. In certain instances, Numeric receives incentive or performance-based compensation of up to 33% of net profits, realized and unrealized, typically payable or allocated annually but sometimes payable or allocable semi-annually, quarterly or monthly in arrears. The incentive or performance-based fees may be subject to a high water mark or in some cases, a hurdle rate which is typically based upon a specified interest rate.

***Payment of Fees***

Management fees accruing to Numeric as investment manager of a Separate Account are payable on a quarterly basis in arrears on the first day of the subsequent quarter. Management fees accruing to Numeric as investment manager of a Private Fund are payable on a monthly or daily basis in arrears and calculated based on the value of the Private Fund's portfolio at the time of measurement. For Separate Accounts, fees are calculated on the basis of the portfolio's value on the last day of that quarter, the average of the portfolio's value at the end of each of the three months in the quarter, the portfolio's daily value or other schedule as negotiated.

With respect to Separate Account clients, performance fees are typically paid on the first anniversary of a client's investment and annually thereafter, usually on a quarter end date. In some cases, performance fees are payable on the date of any withdrawal of capital by the client and on the termination of the client's investment.

Performance fees accrued by a Private Fund are deducted or allocated directly from each Private Fund and paid or allocated to Numeric unless otherwise negotiated. When a Private Fund structured as a limited partnership provides for performance-based compensation, such compensation is paid by the partnership in the form of special profit allocations to Numeric, as general partner. Performance compensation is measured over historical periods of one- to three - year periods, although in some cases a longer period may be used. Each Private Fund's governing documents specifies how its performance fee is calculated and paid or allocated by such Private Fund, and any discussion in this brochure is qualified in its entirety by the Private Fund's governing documents.

The type of investment strategy (such as long only, hybrid, equitized or leveraged) generally determines how performance is measured. For example, some strategies measure performance on a rolling four-quarter basis and others may measure performance on a one-year or three-year basis, or over the life of the account.

For hedged strategies that use leverage, Numeric may proportionally increase the rates of management and performance fees outlined above to reflect the increased equity exposure of levered Separate Accounts (or Private Funds), generally ranging from between one and a half and five times the capacity in the strategy as unlevered ones. In calculating the performance fee on levered accounts (or Private Funds), Numeric reduces the performance of the appropriate index that the account (or Private Fund) must outperform to accrue the performance fee, by the cost of financing such leverage so that the performance fee paid to Numeric is not reduced by this cost.

For equitized hedged portfolios (those that contain long and short positions plus index futures in order to give the portfolios equity market exposure), the index is the S&P 500 or a customized index selected by the Separate Account client or specified in the Private Fund's governing documents.

With respect to Separate Accounts, fees may be negotiable at Numeric's discretion depending upon a variety of factors, including, among other things, the time at which the client enters the strategy, the type and extent of advisory services offered, the amount of assets under management, the overall relationship with the client and other services offered to the client. Fees will vary between clients entering earlier or later in a strategy and smaller and larger accounts and otherwise.

With respect to the Private Funds, Numeric reserves sole discretion to waive all or a portion of the management fee and/or performance fee with respect to any investor in any Private Fund; or, as agreed to by the investor, Numeric may charge a management fee and/or a performance fee that is lower than, or otherwise on different terms than, those described above all without the consent or approval of, or notice to, any unaffected investor.

In addition, Numeric may, at its discretion, agree to pay for certain other fees or expenses incurred by a Separate Account or Fund.

Certain employees and officers of Numeric invest as limited partners in the Private Funds structured as partnerships for which Numeric acts as investment adviser and/or general partner and as shareholders in the Private Funds structured as offshore companies for which Numeric acts as investment adviser. Numeric generally waives or charges lower management fees and/or performance allocations to its current and former directors, employees, affiliates and their family members that are investors in certain Private Funds (collectively, "Insiders").

In the event that a Separate Account client adds or withdraws assets under management during a quarter, management fees charged in arrears will be adjusted *pro rata* for the number of days during the quarter on which the assets were managed.

Withdrawals or redemptions made by an investor in certain Private Funds within twelve months from the date of such investor's initial investment in the Private Fund may be subject, at the

discretion of Numeric, to an early withdrawal/redemption charge equal to an amount not exceeding 1% of the amount withdrawn or redeemed. These charges will be paid to the Private Fund and are intended to place the cost of withdrawal on the investor seeking liquidity. When a Private Fund's investors consist of a single entity or individual or a group of affiliated investors, withdrawal rights may be negotiable. As a result, persons investing in a Private Fund with unaffiliated investors may have less advantageous withdrawal rights than those investing in Separate Accounts or Private Funds that include only Insiders.

In the event that an investor purchases or redeems shares or interests in a Private Fund during a quarter, or in the event that a Private Fund begins or terminates during a quarter, management fees payable will be adjusted *pro rata* for the number of days during the quarter on which the assets were managed.

Fees and compensation paid to Numeric or its affiliates by the Funds or Separate Accounts are generally paid by the client from its assets. For Private Funds, the management fees payable to Numeric are deducted directly from the Private Fund unless otherwise negotiated with Numeric. Any performance fees accrued by a Private Fund are deducted or allocated directly from each Private Fund and paid or allocated to Numeric unless otherwise negotiated with Numeric.

#### ***Other Fees and Expenses***

Numeric's management and performance fees are exclusive of brokerage commissions, transaction fees, and other related costs and expenses. These additional costs and expenses will be incurred by the Separate Account client or Private Fund (and, therefore, indirectly by the Private Fund's investors). Charges may be imposed by administrators, custodians, brokers, third party investment and other third parties such as fees charged by managers, custodial fees, deferred sales charges, odd-lot differentials, transfer taxes, wire transfer and electronic fund fees, and other fees and taxes on brokerage accounts and securities transactions. Exchange traded funds also charge internal management fees, which are disclosed in a fund's prospectus. Such charges, fees and commissions are exclusive of and in addition to Numeric's fee, and Numeric will not receive any portion of these commissions, fees, and costs (except for certain soft dollar benefits described in Item 12 Brokerage Practices below).

In addition to the asset-based and as applicable, performance-based compensation described above, each Numeric Private Fund investor generally bears the following expenses: operating and other expenses and its pro rata portion of the Private Fund's expenses and, as applicable, master fund expenses, including, but not limited to, fund formation, fees paid to the Private Fund's administrator; fees paid to a custodian; investment-related expenses (e.g., brokerage commissions and transaction costs, currency hedging costs, legal costs to review, research, negotiate and settle potential and actual transactions, as applicable (including, without limitation, investment-related litigation expenses), audit costs, clearing and settlement charges, custodial fees, interest expense, fees and expenses incurred in any borrowing or lending securities, any cost of acquiring or maintaining financing, any cost implicit in any repurchase or reverse repurchase agreements, investment banking and any other professional fees or compensation relating to particular investments or contemplated investments and research-related expenses, including, without limitation, transactional, risk, market, reference, consumer and industry data and information, alternative data, news and quotation equipment and services (including fees for data, data

aggregation and software providers, exchanges and other third party and information vendors, other non-traditional and information sources, academic research data and trade ideas); costs for ERISA bonding, if applicable; expenses relating to third-party valuation services; expenses attributable to any third-party proxy voting service; expenses relating to reports provided to investors; expenses associated with the preparation, printing and distribution costs of the periodic and annual financial statements and all professional and other fees and expenses in connection therewith; the cost of publication of the net asset value of the fund; external legal and compliance expenses (which include, without limitation, responding to formal and informal inquiries, subpoenas, investigations and other regulatory matters, indemnification expenses and expenses associated with regulatory filings including blue sky filings and other filings relating to the Private Fund and/or the Private Fund's investments, if applicable); any expenses associated with preparing, monitoring, analyzing, monitoring tax and administrative reports or other documentation, external accounting, audit and tax-related preparation expenses; fees and expenses of the tax representative of the fund, fees and expenses of the directors; organizational and operating fees and expenses, including the directors' fees and expenses; insurance fees and expenses including, if applicable, a reasonably allocated portion of the premiums for any fund directors' and officers', errors and omissions, cybersecurity or other coverage that would offset a portion of the Fund's indemnity obligations; expenses relating to the offer and sale of Private Fund interests and/or shares; taxes and similar amounts; expenses related to the maintenance of the Private Fund's registered office; corporate licensing expenses; clearing and registration fees and other expenses due to regulatory, supervisory or fiscal authorities in various jurisdictions; liquidation costs; promotional and marketing expenses; and the out-of-pocket expenses incurred by the Private Fund's service providers as noted above. Numeric generally is not responsible for any expenses or fees in connection with management of the Private Funds other than as set forth in each Private Fund's governing documents.

Each Separate Account may bear certain of the fees and expenses described above. In addition, certain expenses borne by the Funds may be shared by managed accounts. The expenses borne by a Separate Account are set forth in the Separate Account's investment management agreement.

A more complete description of the fees to be paid to Numeric in connection with an investment in each Private Fund, as well as the expenses of each Private Fund, is available in the confidential offering memorandum and other governing documents of such Private Fund, which are made available to each prospective investor before, or by the time of, any investment in the Private Fund.

Private Fund costs may be amortized over a period of time to ensure that large expenses are borne in an equitable manner.

Numeric or its affiliates may pay certain of the aforementioned expenses and may therefore be entitled to be reimbursed by a Private Fund in respect of such expenses.

#### ***Sub-Advised Fund Compensation and Fees***

When providing services to the Sub-Advised Funds, Numeric typically receives a fee that is based on the amount of the Sub-Advised Fund's assets allocated to Numeric for management. The sub-advisory fee may be paid to Numeric directly by the Sub-Advised Fund or indirectly by the Sub-Advised Fund's investment adviser (out of its advisory fee from the Sub-Advised Fund).

In addition to Numeric's sub-advisory fees, expenses borne by a Sub-Advised Fund are governed by the Sub-Advised Fund's governing documents.

***Allocation of Expenses***

A Private Fund and/or Separate Account may incur an expense which forms part of a larger aggregate expense relating to a number of entities for which Numeric or its affiliates provide services. Such expense will normally be allocated between the relevant entities, pro rata or in conjunction with a flat fee per entity for a portion of the expense, where appropriate or as otherwise determined by Numeric and/or the Private Fund directors in a fair and reasonable manner.

**ITEM 6: PERFORMANCE-BASED FEES AND SIDE-BY-SIDE MANAGEMENT**

***Performance-Based Fees***

Numeric has entered into performance fee arrangements with qualified clients as described in Item 5. Performance fees are subject to individualized negotiation with each Separate Account client and set forth in each Private Fund's governing documents. Numeric will structure any performance or incentive fee arrangement subject to Section 205(a)(1) of the Advisers Act in accordance with the available exemptions, including the exemption set forth in Rule 205-3. In measuring clients' assets for the calculation of performance-based fees, Numeric will include realized and unrealized capital gains and losses.

***Side-by-Side Management of Accounts and Related Conflicts of Interest***

Certain performance-based fee arrangements may create an incentive for Numeric to recommend investments which may be riskier or more speculative than those which might be recommended under a different fee arrangement. Performance fee arrangements may also create an incentive to favor Private Funds and Separate Account clients that pay a higher fee over others in the allocation of investment opportunities. Numeric has designed and implemented procedures to reasonably provide for the fair and equal treatment of all clients. Portfolios are managed at the strategy level, therefore there is no consideration given to the fee schedule attached to individual accounts.

***Other Conflicts of Interest Associated with Side-by-Side Management of Accounts***

Other types of side-by-side management of multiple accounts can also create incentives for Numeric to favor one account over the other.

Long Only/Long-Short Accounts. Numeric manages accounts that only allow long positions, as well as accounts that permit short sales. Numeric does, on occasion, therefore, sell a security short in some client accounts while holding the same security long in other client accounts. This creates the possibility that Numeric is taking inconsistent positions with respect to a particular security in different client accounts.

Securities of the Same Kind or Class. Numeric does on occasion buy or sell securities of the same kind or class that are purchased or sold for another client, at prices that may be different. Numeric may also, at any time, execute trades of securities of the same kind or class in one direction for an account and in the opposite direction for another account, due

to differences in investment strategy or flows. Different strategies effecting trading in the same securities or types of securities may appear as inconsistencies in Numeric's management of multiple accounts side-by-side.

Fixed Income and Equity Accounts. Numeric manages accounts that invest in equities, as well as accounts that invest in fixed income instruments. Numeric may, at times, buy and sell different instruments within an issuer's capital structure for different clients. Under certain circumstances, this may result in Numeric taking action on behalf of one client that disadvantages other clients due to conflicting fiduciary duties owed to those clients.

Accounts Managed by Numeric and Affiliates. Where a client's assets are managed by Numeric and one or more of its affiliates, Numeric and the affiliate may also, at any time, execute trades of securities of the same kind or class in different directions for the client's account due to differences in investment strategy or flows.

Generally, Numeric addresses these conflicts of interest through the adoption of policies and procedures that are designed to mitigate such conflicts of interest and ensure compliance with applicable law, including by way of an investment allocation policy which is designed to ensure accounts are treated fairly and equitably over time regardless of the types of fees or fee rates paid.

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

Numeric provides investment advisory services for U.S. and non-U.S. taxable and tax-exempt clients. Numeric's clients are primarily institutions that invest through separately managed accounts; however, Numeric also advises private investment funds sponsored by Numeric in which eligible institutions or individuals invest. Numeric generally provides portfolio management services to corporate pension and profit-sharing plans, Taft-Hartley plans, charitable institutions, foundations, endowments, municipalities, private investment funds, trust programs, sovereign funds, non-U.S. funds such as UCITS and SICAV funds, and other U.S. and international institutions. Numeric also provides model portfolio services to registered investment companies.

Numeric's account minimum for a Separate Account is generally \$50 million, depending upon the strategy. Investments in the Private Funds may be subject to certain qualifications and a minimum investment requirement as set forth in the Private Fund's offering memorandum. Minimums may be waived in the discretion of Numeric and generally are waived for Insiders as defined in Item 5.

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

*The descriptions set forth in this Brochure of specific advisory services that Numeric offers to clients, and investment strategies pursued and investments made by Numeric on behalf of its clients, should not be understood to limit in any way Numeric's investment activities. Numeric may offer any advisory services, engage in any investment strategy and make any investment, including any not described in this Brochure, that Numeric considers appropriate, subject to each*

*client's investment objectives and guidelines. The investment strategies Numeric pursues are speculative and entail substantial risks. Clients/investors should be prepared to bear a substantial loss of capital. There can be no assurance that the investment objectives of any client will be achieved.*

**A. Methods of Analysis and Investment Strategies**

Numeric will generally employ quantitative models to select investments. There can be no assurance that these models will operate correctly or as expected in all market conditions.

A broad summary of Numeric's proprietary model categories follows:

- Innovation – uncorrelated alpha signals which leverage alternative data science techniques
- Academic+ - fundamental models that are grounded in financial and behavioral theory and adjusted for transient biases
- ESG & Climate – multi-faceted models built on proprietary and ESG specialist data
- Long Horizon – long term trading signals aimed at achieving long term economic value

All portfolios at Numeric are managed under the direction of Numeric's Chief Investment Officer, with oversight from Numeric's Investment Committee. Each Private Fund is managed by Numeric in accordance with the investment objectives and strategies disclosed in the applicable Private Fund's governing documents. Investors and prospective investors in a Private Fund should consult the relevant governing documents to see which methods of analysis, investment strategies and risks are most relevant to that Private Fund. Numeric manages each Separate Account client in accordance with the terms of the investment management agreement and any other contractual arrangements between Numeric and such client.

The entire investment process is overseen by the Investment Committee, which includes the Chief Investment Officer and senior investment professionals.

Risk is managed by the portfolio managers and overseen by the Numeric Investment Committee and the Investment Risk Management Team, which includes the Portfolio Risk Team. Numeric have an extensive suite of both internally and externally developed real-time risk monitors to identify and measure intended/unintended risks in the portfolio. Portfolio managers and the Investment Risk Management Team review these on a daily basis. These risk parameters are incorporated into Numeric's daily investment process and are designed to help ensure that Numeric are not taking any unintended risks. Risk managements is addressed in three distinct areas: Alpha Construction, Portfolio Construction, and Analytics/Investment Risk monitoring.

All portfolio managers and research analysts involved with each strategy review daily monitors prior to the market open to ensure the accounts are within appropriate risk levels. External risk tools include MSCI Barra. Internal risk systems are designed and monitored by Numeric employees not involved in the investment decision-making process. Further, reports/holdings/risk exposures are run daily and accessible for review across the firm.

In addition, there is an independent review of compliance with client investment guidelines and restrictions conducted by the Investment Risk Management Team, which is reviewed by the Compliance Team. Any infractions are recorded and reported to the portfolio managers and the Management Committee.

Numeric is committed to responsible investing, including a focus on understanding how ESG factors may influence performance, generate alpha, and/or mitigate risk in client portfolios. As a fiduciary, Numeric looks at the entire investment universe to identify attractive securities. Where applicable, Numeric expects responsible investing insights to be a component of the research processes that are used to arrive at investment decisions.

Depending on the specific investment strategies pursued, Numeric may invest in one or more of the following, among others: stocks, bonds, debt instruments (investment and non-investment grade), high yield bonds, equity instruments (including listed and un-listed securities), exchange-traded funds ("ETFs"), loans (par, near par and distressed), participations, commodities, derivatives or other financial instruments, asset backed securities, convertible and preferred securities, and warrants, collateralized debt and loan obligations, bank debt, floating rate notes, depository receipts, government bonds and preferred real or personal property or any other types of assets it can own unless otherwise specified in the Fund's offering documents or in the managed account's investment management agreement. The derivative instruments in which clients may purchase or sell include, without limitation, credit derivatives, exchange-traded or over-the-counter derivatives, options, swaptions, swaps (including, but not limited to, basket swaps, equity swaps, credit default swaps, interest rate swaps, contracts for difference and total return swaps), and deliverable and non-deliverable forward contracts. Clients also may from time to time purchase or sell currencies, forward currency contracts or other related derivative instruments. Numeric clients will incur additional costs when trading securities on swap.

**B. Material, Significant or Unusual Risks Relating to Investment Strategies**

*The investment strategies the Firm pursues are speculative and entail substantial risks. Clients should be prepared to bear a substantial loss of capital. There can be no assurance that the investment objectives of any Client will be achieved. The following risk factors may not be applicable to all clients. Investments in a Separate Account or Fund are speculative and involve a substantial degree of risk, including the risk that an investor could lose some or all of its investment. Prospective investors should carefully consider the risks of investing, which include, without limitation, those set forth below. These risk factors include only those risks Numeric believes to be material, significant or unusual and relate to particular significant investment strategies or methods of analysis employed by Numeric and do not purport to be a complete list or explanation of the risks involved in an investment in a Separate Account or Fund.*

Equity. 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. For example, during the credit crisis of 2008-2009, world financial markets experienced extraordinary market conditions resulting in extreme volatility in the global equity markets. The Private Fund

or Separate Account portfolio's profit potential may be generally diminished during market cycles in which there is a sustained decline in equity price levels.

**Common Stock.** Common stock generally takes the form of shares in a corporation which represent an ownership interest. It ranks below preferred stock and debt securities in claims for dividends and for assets of the company in a liquidation or bankruptcy. The value of a company's common stock may fall as a result of factors directly relating to that company, such as decisions made by its management or decreased demand for the company's products or services. A stock's value may also decline because of factors affecting not just the company, but also companies in the same industry or sector. The price of a company's stock may also be affected by changes in financial markets that are relatively unrelated to the company, such as changes in interest rates, currency exchange rates or industry regulation. Companies that elect to pay dividends on their common stock generally only do so after they invest in their own business and make required payments to bondholders and on other debt and preferred stock. Therefore, the value of a company's common stock will usually be more volatile than its bonds, other debt and preferred stock. Common stock may be exchange-traded or OTC. OTC common stock may be less liquid than exchange-traded stock.

**Preferred Securities.** Preferred stock, unlike common stock, offers a stated dividend rate payable from a corporation's earnings. These dividends may be cumulative or non-cumulative, participating or auction rate. If interest rates rise, the fixed dividend on preferred stocks may be less attractive, causing the prices of preferred stocks to decline. Preferred stock may have mandatory sinking fund provisions and call/withdrawal provisions prior to maturity, a negative feature when interest rates decline. Dividends on some preferred stock may be "cumulative", requiring all or a portion of prior unpaid dividends to be paid before dividends are paid on the issuer's common stock. Preferred stock also generally has a preference over common stock on the distribution of a corporation's assets upon liquidation of the corporation, and may be "participating", which means that it may be entitled to a dividend exceeding the stated dividend in certain cases.

Preferred securities may include provisions that permit the issuer, at its discretion, to defer distributions for a stated period without any adverse consequences to the issuer. If a Private Fund or Separate Account portfolio owns a preferred security that is deferring its distributions, the Private Fund or Separate Account portfolio may be required to report income for tax purposes although it has not yet received such income. Preferred securities are generally subordinate to the rights associated with an issuer's debt securities in terms of priority to corporate income and liquidation payments, and therefore are subject to greater credit risk than more senior debt securities. Preferred securities may be substantially less liquid than many other securities. Additionally, preferred stocks are subject to the risks associated with other types of equity securities, as well as additional risks, such as credit risk, interest rate risk, potentially greater volatility and risks related to deferral, non-cumulative dividends, subordination, limited voting rights, and special withdrawal rights.

**Convertible Securities.** Convertible securities include bonds, debentures, notes, preferred stocks or other securities that may be converted into or exchanged for a specified amount of common stock of the same or different issuer within a particular period of time at a specified price or

formula. A convertible security entitles its holder to receive interest that is generally paid or accrued on debt or a dividend that is paid or accrued on preferred stock until the convertible security matures or is withdrawn, converted or exchanged. Convertible securities have unique investment characteristics in that they generally: (i) have higher yields than common stocks, but lower yields than comparable non-convertible securities; (ii) are less subject to fluctuation in value than the underlying common stock due to their fixed-income characteristics; and (iii) provide the potential for capital appreciation if the market price of the underlying common stock increases.

The value of a convertible security is a function of its “investment value” (determined by its yield in comparison with the yields of other securities of comparable maturity and quality that do not have a conversion privilege) and its “conversion value” (the security’s worth, at market value, if converted into the underlying common stock). The investment value of a convertible security is influenced by changes in interest rates, with investment value declining as interest rates increase and increasing as interest rates decline. The credit standing of the issuer and other factors may also have an effect on the convertible security’s investment value. The conversion value of a convertible security is determined by the market price of the underlying common stock. If the conversion value is low relative to the investment value, the price of the convertible security is governed principally by its investment value. To the extent the market price of the underlying common stock approaches or exceeds the conversion price, the price of the convertible security will be increasingly influenced by its conversion value. A convertible security generally will sell at a premium over its conversion value by the extent to which investors place value on the right to acquire the underlying common stock while holding a fixed-income security. Generally, the amount of the premium decreases as the convertible security approaches maturity.

A convertible security may be subject to withdrawal at the option of the issuer at a price established in the convertible security’s governing instrument. If a convertible security held by the Private Fund or Separate Account portfolio is called for withdrawal, the Private Fund or Separate Account portfolio will be required to permit the issuer to withdraw the security, convert it into the underlying common stock or sell it to a third party. Any of these actions could have an adverse effect on the Private Fund or Separate Account portfolio’s ability to achieve its investment objective.

Leverage. Certain Private Fund and Separate Account portfolios utilize leverage. Leverage creates an opportunity for increased net income or capital appreciation but also creates special risk considerations. Leveraging will generally exaggerate the effect on the Private Fund or Separate Account client portfolio’s value of any increase or decrease in the market value of the Private Fund or Separate Account portfolio’s investments. Leveraging will create interest expenses for the Private Fund or Separate Account portfolio which can exceed the investment return from the borrowed funds. In this instance, the Private Fund or Separate Account portfolio’s investment return will be greater if leverage were not used.

Short Sales. Certain Private Fund and Separate Account portfolios engage in short sales by selling securities not owned at the time of the sale. The Private Fund or Separate Account portfolio is then obligated to purchase and deliver securities against the short position. In the event that the price of a security increases between the short sale and the Private Fund or Separate Account portfolio’s subsequent purchase of shares of that security, the Private Fund or Separate Account

portfolio will suffer a loss on that transaction and the value of the Private Fund or Separate Account portfolio will decrease accordingly. There can be no assurance that a Private Fund or Separate Account portfolio utilizing short sales will not suffer losses.

Small and Mid-Capitalization Risks. Investments in unseasoned and small and mid-capitalization companies may create exposure to greater investment risk. Investments in the securities of these companies may present greater opportunities for growth but also involve greater risks than are customarily associated with investments in securities of more established and larger capitalized companies. The securities of less seasoned and smaller capitalized companies often have fewer market makers and wider price spreads, which may in turn result in more abrupt and erratic market price movements and make such investments more vulnerable to adverse general market or economic developments than would investments only in large, more established companies. It is more difficult to obtain information about less seasoned and smaller capitalization companies because they tend to be less well known and have shorter operating histories and because they tend not to have significant ownership by large investors or be followed by many securities analysts. Additionally, these companies may have limited product lines, markets or financial resources, or they may be dependent upon a limited management group that may lack depth and experience. Investments in larger and more established companies present certain advantages in that such companies generally have greater financial resources, more extensive research and development, manufacturing, marketing and service capabilities, more stability and greater depth of management and technical personnel.

Long-Only Strategies. Long-only strategies will not take direct “short” positions. Accordingly, such strategies can primarily only profit from increases in the value of the financial instruments which it acquires. These strategies do not provide “absolute return” potential, and are very unlikely to be profitable in declining markets. Prospective investors must recognize that even if the strategy achieves its objective (of which there can be no assurance), an investment in a long-only strategy will represent a directional “bet” on increases in the general price level of the financial instruments acquired. A long-only strategy should in no event constitute more than a strictly limited portion of an investor’s overall portfolio. Long-only strategies may be exposed to substantial losses in the event of a market downturn.

Foreign Currency. The value of foreign currencies relative to the U.S. dollar varies continually, causing changes in the dollar value of a Private Fund or Separate Account portfolio (even if the local market price of the investments is unchanged) and changes in the dollar value of a Private Fund or Separate Account portfolio’s income available for distribution. The effect of changes in the dollar value of a foreign currency on the dollar value of a Private Fund’s or Separate Account portfolio’s assets and on the net investment income available for distribution may be favorable or unfavorable. A Private Fund or Separate Account portfolio will incur costs in connection with conversions between various currencies.

Derivatives. Certain Private Fund and Separate Account portfolios invest in derivatives. Derivatives involve a number of risks including possible default by the other party to the transaction, illiquidity and, to the extent Numeric’s view of certain market, interest rate or currency exchange rate movements is incorrect, the risk that the use of such derivatives could result in losses greater than if they had not been used. The writing of put and call options may result in losses to

a Private Fund or Separate Account, force the purchase or sale, respectively, of portfolio securities at inopportune times or for prices higher than (in the case of purchases due to the exercise of put options) or lower than (in the case of sales due to the exercise of call options) current market values, limit the amount of appreciation the Private Fund or Separate Account can realize on its investments or cause the Private Fund or Separate Account to hold a security it might otherwise sell or sell a security it might otherwise hold.

Exchange Traded Funds. The risks of owning an exchange traded fund (“ETF”) generally reflect the risk of owning the underlying securities they are designed to track, although lack of liquidity in an ETF could result in it being more volatile than the underlying securities and ETFs have management fees that increase their costs. Additionally, the market price of an ETF’s shares may trade at a discount or premium to its net asset value. ETFs are also subject to other risks, including: (a) the risk that their prices may not correlate perfectly with changes in the underlying financial instruments, including that an ETF that tracks an index may not precisely replicate the returns of its benchmark index; and (b) the risk of possible trading halts due to market conditions or other reasons if the listing exchange’s officials deem such action appropriate, the shares are delisted from the exchange, or the activation of market-wide “circuit breakers” (which are tied to large decreases in stock prices) halts stock trading generally. An exchange-traded sector fund may also be adversely affected by the performance of that specific sector or group of industries on which it is based.

Fixed Income Instruments Generally. Numeric’s bond strategies seek income from fixed income bonds. Fixed income securities are subject to the risk of an issuer’s ability to meet principal and interest payments on the obligation (credit risk), and may also be subject to price volatility due to such factors as interest rate sensitivity, market perception of the creditworthiness of the issuer and general market liquidity (market risk). The fixed-income securities in which the strategy invests may be interest rate sensitive. An increase in interest rates will generally reduce the value of fixed-income securities, while a decline in interest rates will generally increase the value of fixed-income securities. The performance of the strategy will therefore depend in part on the ability to anticipate and respond to such fluctuations on market interest rates, and to utilize appropriate strategies to maximize returns, while attempting to minimize the associated risks to investment capital.

Investment in High Yield Fixed Income Instruments. It is expected that a significant portion of the Numeric high yield bond strategies’ investments will be rated below investment grade. Such debt obligations may have greater credit and liquidity risk than investment grade obligations. The lower rating of such obligations reflects a greater possibility that adverse changes in the financial condition of an obligor or in general economic conditions, or both, may impair the performance of the strategy. In addition, obligors of below investment grade debt obligations may be highly leveraged and may not have available to them more traditional methods of financing. During an economic downturn, a sustained period of rising interest rates, or a period of fluctuating exchange rates (in respect of those obligors with operations located in non-U.S. countries), such obligors may be more likely to experience financial stress and may be unable to meet their debt obligations due to the obligors’ inability to achieve sufficient financial results or the unavailability of financing or under certain market conditions may not be able to refinance their debt obligations which may increase their risk of default. Default rates levels for below investment grade debt obligations may change significantly over time.

Investments in Special Purpose Acquisition Companies. Special purpose acquisition companies ("SPACs") are subject to significant "event risk." That is, a SPAC's success depends on its ability to identify and close a transaction within a relatively short period delimited in its charter. If a SPAC fails to close a transaction within that period it is typically required to liquidate and dissolve. Upon such dissolution the holders of common stock receive a fixed distribution from a trust established to hold initial public offering proceeds, and the warrants will expire worthless. Therefore, the Funds may expect from time to time to suffer complete losses of its investments in certain SPAC warrants.

Private Investments and Illiquid Securities. Certain Private Fund and Separate Account portfolios invest in illiquid and restricted, as well as thinly-traded, securities, including securities that are privately placed, securities that are purchased in offshore transactions pursuant to Regulation S and securities that are "restricted securities" pursuant to Rule 144A under the Securities Act. There may be no trading market for these securities, and such positions may only be able to be liquidated at disadvantageous prices, if at all. As a result, the Private Fund or Separate Account portfolio may be required to hold such securities despite adverse price movements.

Numeric typically values the illiquid securities in its good faith discretion. Although there can be no assurance that these valuations will accurately predict the price at which an arm's-length buyer would be willing to purchase the securities.

General Economic and Market Conditions. The success of a Fund's or Separate Account portfolio's investments may be affected by general economic and market conditions, such as interest rates, availability of credit, inflation rates, economic uncertainty, changes in laws, currency exchange rates and controls and national and international political circumstances (including wars, terrorist acts or security operations). These factors may affect the level and volatility of security prices and the liquidity and the value of the securities held by a Private Fund or Separate Account portfolio. Unexpected volatility or illiquidity could impair a Private Fund's or Separate Account portfolio's profitability or result in its suffering losses.

Investments in Emerging Markets. Investing in emerging markets involves additional risks and special considerations not typically associated with investing in other more established economies or markets. Such risks may include (i) increased risk of nationalization or expropriation of assets or confiscatory taxation; (ii) greater social, economic and political uncertainty, including war; greater risk of change of government policy, change of interpretation of law or level of enforcement of law; (iii) higher dependence on exports and the corresponding importance of international trade; (iv) greater volatility, less liquidity and smaller capitalization of markets; (v) greater volatility in currency exchange rates; (vi) greater risk of inflation; (vii) greater controls on foreign investment and limitations on realization of investments, repatriation of invested capital and on the ability to exchange local currencies for US dollars; (viii) increased likelihood of governmental involvement in and control over the economy; (ix) governmental decisions to cease support of economic reform programs or to impose centrally planned economies; (x) differences in auditing and financial reporting standards which may result in the unavailability of material information about issuers; (xi) less extensive regulation of the markets; (xii) longer settlement periods for transactions and less reliable clearance and custody arrangements; (xiii) less developed corporate laws regarding fiduciary duties of officers and directors and the protection of investors; (xiv) certain considerations regarding the maintenance of financial instruments with brokers and

securities depositories; (xv) less publicly available information; and (xvi) less favorable tax provisions.

Repatriation of investment income, assets and the proceeds of sales by foreign investors may require governmental registration and/or approval in some emerging countries. A Fund or Separate Account could be adversely affected by delays in or a refusal to grant any required governmental registration or approval for such repatriation or by withholding taxes imposed by emerging market countries on interest or dividends paid on financial instruments held by the Fund or Separate Account or gains from the disposition of such financial instruments.

Lack of adequate custodial systems in some emerging market countries may prevent investment in a given country or may require a Fund or Separate Account to accept greater custodial risks in order to invest in such countries. Clients should also note that settlement mechanisms in emerging markets are generally less developed and reliable than those in more developed countries and that this therefore increases the risk of settlement default, which could result in substantial losses for the Fund or Separate Account in respect of investments in emerging markets. Clients should also note that the securities of companies domiciled in emerging markets are less liquid and more volatile than more developed stock markets and this may result in fluctuations in the value of the Fund or Separate Account. Custodian expenses for a portfolio of emerging markets securities are generally higher than for a portfolio of securities of issuers based in developed countries.

Economies in emerging market countries generally are heavily dependent upon international trade and, accordingly, have been and may continue to be affected adversely by trade barriers, exchange controls, managed adjustments in relative currency values and other protectionist measures imposed or negotiated by the countries with which they trade. These economies also have been and may continue to be affected adversely by economic conditions in the countries in which they trade. There may be a lack of liquidity for emerging market securities; interest rates and relevant currency exchange rates may be more volatile; sovereign limitations on these investments may be more likely to be imposed; there may be significant balance of payment deficits; and their economies and markets may respond in a more volatile manner to economic changes than those of developed countries.

Certain Funds and Separate Accounts invest in sovereign debt securities of emerging market governments. Investments in such securities involve special risks. The issuer of the debt or the governmental authorities that control the repayment of debt may be unable or unwilling to repay principal or interest when due in accordance with the terms of such debt. Periods of economic uncertainty may result in the volatility of market prices of sovereign debt, and in turn the NAV, to a greater extent than volatility inherent in non-emerging market fixed income securities.

A sovereign debtor's willingness or ability to repay principal and pay interest in a timely manner may be affected by, among other factors, its cash flow situation, the extent of its foreign reserves, the availability of sufficient foreign exchange on the date a payment is due, the relative size of the debt service burden to the economy as a whole, the sovereign debtor's policy towards principal international lenders and the political constraints to which a sovereign debtor may be subject. Emerging market governments could default on their sovereign debt. Such sovereign debtors also may be dependent on expected disbursements from foreign governments, multinational agencies

and other entities abroad to reduce principal and interest arrears on their debt. The commitment on the part of these governments, agencies and others to make such disbursements may be conditioned on a sovereign debtor's implementation of economic reforms and/or economic performance and the timely service of such debtor's obligations. Failure to implement such reforms, achieve such levels of economic performance or repay principal or interest when due, may result in the cancellation of such third parties' commitments to lend funds to the sovereign debtor, which may further impair such debtor's ability or willingness to service its debts in a timely manner.

In emerging markets, there is often less governmental supervision and regulation of business and industry practices, stock exchanges, OTC markets, brokers, dealers, counterparties and issuers than in other more established markets. Any regulatory supervision which is in place may be subject to manipulation or control. Some emerging market countries do not have mature legal systems comparable to those of more developed countries. Moreover, the process of legal and regulatory reform may not be proceeding at the same pace as market developments, which could result in investment risk. Legislation to safeguard the rights of private ownership may not yet be in place in certain areas, and there may be the risk of conflict among local, regional and national requirements. In certain cases, the laws and regulations governing investments in securities may not exist or may be subject to inconsistent or arbitrary appreciation or interpretation. Both the independence of judicial systems and their immunity from economic, political or nationalistic influences remain largely untested in many countries. A Fund or Separate Account may also encounter difficulties in pursuing legal remedies or in obtaining and enforcing judgments.

*Emerging Market Inflation.* Some emerging market countries have experienced substantial rates of inflation in recent years. Inflation and rapid fluctuations in inflation rates have had, and may in the future have, negative effects on the economies and securities markets of certain emerging economies. There can be no assurance that inflation will not become a serious problem in the future and have an adverse impact on the Fund's or Separate Account's investments in these countries or the Fund's or Separate Account's returns from such investments.

*Taxation.* Taxation of dividends and capital gains received by non-residents varies among emerging countries and, in some cases, tax rates are high compared to developed countries. In addition, developing countries typically have less well-defined tax laws and procedures. With respect to certain countries, there is a possibility of expropriation, confiscatory taxation and imposition of withholding or other taxes on dividends, interest, capital gains, gross sale or disposition proceeds or other income.

*Risk of Errors and Omissions in Information.* Companies in emerging countries are generally subject to less stringent and less uniform accounting, auditing and financial reporting standards, practices and disclosure requirements than those applicable to companies in developed countries. In particular, valuation of assets, depreciation, exchange differences, deferred taxation, contingent liabilities and consolidation may be treated differently from accounting standards in more developed countries. Consequently, there is less publicly available information about an emerging country company than about a company in a developed market. Furthermore, the quality and reliability of official data published by the government or securities exchanges in emerging markets may not accurately reflect the statistics being reported.

*Government Involvement in Private Sector.* Government involvement in the private sector varies in degrees among the emerging countries in which certain Funds or Separate Accounts invest. Such involvement may include government ownership, wage and price controls or imposition of trade barriers or other protectionist measures.

*Legal Risk.* Many of the laws that govern private and foreign investment, securities transactions, creditors' rights and other contractual relationships in emerging markets are new and largely untested. As a result, a Fund or Separate Account may be subject to a number of unusual risks, including inadequate investor protection, contradictory legislation, incomplete, unclear and changing laws, ignorance or breaches of regulations on the part of other market participants, lack of established or effective avenues for legal redress, lack of standard practices and confidentiality customs characteristic of developed markets, and lack of enforcement of existing regulations.

Regulatory controls and corporate governance of companies in developing countries may confer little protection on investors. Anti-fraud and anti-insider trading legislation is often rudimentary. The concept of fiduciary duty is also limited when compared to such concepts in developed countries. In certain instances, management may take significant actions without the consent of investors.

This difficulty in protecting and enforcing rights may have a material adverse effect on a Fund or Separate Account and its operations. Furthermore, it may be difficult to obtain and enforce a judgment in certain of emerging market countries in which assets of a Fund or Separate Account are invested.

Model and Data Risk. Numeric relies heavily on quantitative models (both proprietary models developed by Numeric and those supplied by third parties, collectively, "Models") and information and data both developed by Numeric and those supplied by third parties (collectively "Data") rather than granting trade-by-trade discretion to Numeric investment professionals. In combination, Models and Data are used to construct investment decisions, to value both current and potential investments (including without limitation, for trading purposes, and for the purposes of determining Net Asset Value), to provide risk management insights and to assist in hedging a Fund or Separate Account's investments. Models and Data are known to have errors, omissions, imperfections and malfunctions (collectively, "System Events"). System Events in third-party Models are generally entirely outside of the control of Numeric.

Numeric seeks to reduce the incidence and impact of System Events, to the extent feasible, through a combination of internal testing, simulation, real-time monitoring, use of independent safeguards in the overall portfolio management process and often, in the software code itself. Despite such testing, monitoring and independent safeguards, System Events will result in, among other things, the execution of unanticipated trades, the failure to execute anticipated trades, delays in the execution of anticipated trades, the failure to properly allocate trades, the failure to properly gather and organize available data, the failure to take certain hedging or risk reducing actions and/or the taking of actions which increase certain risk(s)—all of which may have materially negative effects on a Fund or Separate Account and/or its returns. System Events in third-party provided Data are generally entirely outside the control of Numeric.

The research and modelling processes engaged in by Numeric are extremely complex and involve the use of financial, economic, econometric and statistical theories, research and modelling; the results of this investment approach must then be translated into computer code. Although Numeric seeks to hire individuals skilled in each of these functions and to provide appropriate levels of oversight and employ other mitigating measures and processes, the complexity of the individual tasks, the difficulty of integrating such tasks, and the limited ability to perform “real world” testing of the end product, even with simulations and similar methodologies, raise the chances that Model code may contain one or more coding errors, thus potentially resulting in a System Event and further, one or more of such coding errors could adversely affect a Fund or Separate Account’s investment performance.

Certain Investment Strategies may be highly reliant on the gathering, cleaning, culling and performing of analysis of large amounts of Data. Accordingly, Models rely heavily on appropriate Data inputs. However, it is impossible or impracticable to factor all relevant, available Data into forecasts, investment decisions and other parameters of the Models. Numeric will use its discretion to determine what Data to gather with respect to each Investment Strategy and what subset of that Data the Models take into account to produce forecasts or other analysis which may have an impact on ultimate investment decisions. In addition, due to the automated nature of Data gathering, the volume and depth of Data available, the complexity and often manual nature of Data cleaning, and the fact that the substantial majority of Data comes from third-party sources, it is inevitable that not all desired and/or relevant Data will be available to, or processed by, Numeric at all times. Irrespective of the merit, value and/or strength of a particular Model, it will not perform as designed if incorrect Data is fed into it which may lead to a System Event potentially subjecting the Fund or Separate Account to loss. Further, even if Data is input correctly, “model prices” anticipated by the Data through the Models may differ substantially from market prices, especially for Securities with complex characteristics, such as derivatives.

Where incorrect or incomplete Data are available, Numeric will often, continue to generate forecasts and make investment decisions based on the Data available to them. Additionally, Numeric may determine that certain available Data, while potentially useful in generating forecasts and/or making investment decisions, are not cost effective to gather due to, among other factors, the technology costs or third-party vendor costs and, in such cases, Numeric will not utilize such Data. Numeric may elect to use or may refrain from using any specific Data or type of Data in generating forecasts or making trading decisions with respect to the Models. The Data utilized in generating forecasts or making trading decisions underlying the Models may not be (i) the most accurate data available or (ii) free of errors. The Data set used in connection with the Models is limited. The foregoing risks associated with gathering, cleaning, culling and analysis of large amounts of Data are an inherent part of investing with quantitative, process-driven, systematic advisers such as Numeric.

When Models and Data prove to be incorrect, misleading or incomplete, any decisions made in reliance thereon expose the Funds or Separate Accounts to potential losses and such losses may be compounded over time. For example, by relying on Models and Data, Numeric may be induced to buy certain investments at prices that are too high, to sell certain other investments at prices that are too low, or to miss favorable opportunities altogether. Similarly, any hedging based on faulty Models and Data may be unsuccessful and when determining Net Asset Value, any valuations of

the Funds or Separate Account's investments that are based on valuation Models may prove to be incorrect. In addition, Models may incorrectly forecast future behavior, leading to potential losses on a cash flow and/or a mark-to-market basis. Furthermore, in unforeseen or certain low-probability scenarios (often involving a market event or disruption of some kind), Models may produce unexpected results which may be System Events. Errors in Models and Data are often extremely difficult to detect, and, in the case of Models, the difficulty of detecting System Events may be exacerbated by the lack of design documents or specifications. Regardless of how difficult their detection appears in retrospect, some System Events may go undetected for long periods of time and some may never be detected. Finally, when a System Event is detected, the Numeric, in its sole discretion, may choose not to address or fix such System Event. When a System Event is detected, Numeric generally will not perform a materiality analysis on the potential impact of a System Event. Numeric believes that the testing and monitoring performed on Models will enable it to identify and address those System Events that a prudent person managing a quantitative, systematic and computerized investment program would identify and address by correcting the underlying issue(s) giving rise to the System Events, however there is no guarantee of the success of such processes. Investors should assume that System Events and their related risks and impact are an inherent part of investing with process-driven, systematic investment managers such as certain Numeric. Accordingly, Numeric do not expect to disclose discovered System Events to client.

The Funds and Separate Accounts will bear the risks associated with the reliance on Models and Data including that such Funds and Separate Accounts will bear all losses related to System Events unless otherwise determined by Numeric in accordance with its internal policies or as may be required by applicable law.

Discretionary Management Risk. Certain Private Funds rely on traditional discretionary management, in addition to the proprietary mathematical quantitative models. The Investment Manager may exercise management discretion under various circumstances, including, without limitation, as a result of fundamental financial inputs or for risk management considerations. Under such circumstances, the Investment Manager may utilize its investment discretion to override a financial instrument that is recommended for acquisition or sale by the proprietary mathematical quantitative models. Accordingly, the discretionary judgment of the Investment Manager's investment professionals is integral to the implementation of the investment strategy of the Fund. Discretionary action by such investment professionals is subject to the risk of judgment, subjectiveness and emotionalism, and may involve material and as-yet-unanticipated risks that could increase the risk of an investment in the Private Funds.

Trading Frequency. Due to considerations around its quantitative investment management approach, including, but not limited to, data breaks and complex interdependent processes, Numeric may not trade on every available trading day. In addition, Numeric may, at its discretion, decide not to trade on every available trading day due to other considerations, including, but not limited to, client restrictions and global trading holidays.

Trade Error Risk. Given the volume, diversity and complexity of transactions executed by Numeric on behalf of the Account, the Client should assume that trading errors (and similar errors) will occur. To the extent an error is caused by a counterparty, such as a broker, Numeric generally

attempts to recover any loss associated with such error from such counterparty. To the extent an error is caused by Numeric, a formalized process is in place for the resolution of such errors. If such errors result in gains to the Account, such gains will be retained by the Account. However, if such errors result in losses, they will be borne by Numeric in accordance with its internal policies.

Trading Systems Risks. Clients depend on Numeric and its service providers to develop and implement appropriate systems for trading activities. Further, clients may rely extensively on computer programs and systems (and may rely on new systems and technology in the future) for various purposes including, without limitation, to trade, clear and settle transactions, to evaluate certain financial instruments, to monitor its portfolio and net capital, and/or to generate risk management and other reports that are critical to oversight of the client activities. Certain of Numeric's operations interface will be dependent upon systems operated by third parties, including prime brokers, the administrator, market counterparties and their sub-custodians and other service providers, and Numeric may not be in a position to verify the risks or reliability of such third-party systems. These programs or systems may be subject to certain limitations, including, but not limited to, those caused by computer "worms", viruses and power failures. Numeric's operations are highly dependent on each of these systems and the successful operation of such systems is often out of Numeric's control. The failure of one or more systems or the inability of such systems to satisfy Numeric's new or growing businesses could have a material adverse effect on client accounts. For example, systems failures could cause settlement of trades to fail, lead to inaccurate accounting, recording or processing of trades, and cause inaccurate reports, which may affect the ability of Numeric to monitor investment portfolio and risks.

There is a risk that any algorithmic trading systems used by Numeric or its service providers may not be able to adequately react to a market event without serious disruption. Further, trading algorithms may malfunction causing severe losses.

Obsolescence Risk. Numeric is unlikely to be successful in its quantitative, systematic, investment strategies unless the assumptions underlying the Models are realistic and either remain realistic and relevant in the future or are adjusted to account for changes in the overall market environment. If such assumptions are inaccurate or become inaccurate and are not promptly adjusted, it is likely that profitable trading signals will not be generated. If and to the extent that the Models do not reflect certain factors, and Numeric does not successfully address such omission through its testing and evaluation and modify the Models accordingly, major losses may result all of which will be borne by the Account. Numeric will continue to test, evaluate and add new Models which may lead to the Models being modified from time to time. Any modification of the Models or strategies will not be subject to any requirement that clients receive notice of the change or that they consent to it. There can be no assurance as to the effects (positive or negative) of any modification to the Models or Investment Strategies on the Account's performance.

Crowding/Convergence. There is significant competition among quantitatively-focused managers, many of whom implement similar types of strategies. To the extent that Numeric is not able to develop sufficiently differentiated Models, the Account's investment objective may not be met, irrespective of whether the Models are profitable in an absolute sense. In addition, to the extent that the Models come to resemble those employed by other managers, there is an risk that a

market disruption may negatively affect predictive Models such as those employed by the Account is increased, as such a disruption could accelerate reductions in liquidity or rapid re-pricing due to simultaneous trading across a number of funds utilizing Models (or similar quantitatively focused investment strategies) in the marketplace.

Involuntary Disclosure Risk. The ability of Numeric to achieve its investment goals for the Account is dependent in large part on its ability to develop and protect its models and proprietary research. The models and proprietary research and the Models and Data are largely protected by Numeric through the use of policies, procedures, agreements, and similar measures designed to create and enforce robust confidentiality, non-disclosure, and similar safeguards. However, aggressive position-level public disclosure obligations (or disclosure obligations to exchanges or regulators with insufficient privacy safeguards) could lead to opportunities for competitors to reverse-engineer Numeric's models, and thereby impair the relative or absolute performance of the Account.

Turnover and Trading Costs. The investment strategy to be employed by a Private Fund or a Separate Account portfolio will result in the portfolio having a high degree of turnover which will result in higher transaction costs than would be the case if a Private Fund or Separate Account portfolio employed a buy-and-hold strategy. The transaction costs associated with an active trading strategy may lower returns. If a Private Fund or Separate Account portfolio is successful, it will also generate significant amounts of short-term capital gain related to the sale of securities held for less than one year and relatively little long-term gain, which may have disadvantageous tax consequences for a Private Fund or a Separate Account.

Better Access to Information. Many entities and/or affiliates will generally have full transparency into the activities of Numeric, including position transparency of client portfolios. Certain investors may be granted enhanced transparency rights from time to time. Such information, which may be potentially relevant to a decision to invest in or redeem interests of a client, may not be made available to all investors.

Security Breaches. Numeric maintains global information technology systems, consisting of infrastructure, applications and communications networks to support the clients' as well as its own business activities. These systems could be subject to security breaches such as 'cyber-crime' resulting in theft, a disruption in Numeric's ability to close out positions and the disclosure or corruption of sensitive and confidential information. Security breaches may also result in misappropriation of assets and could create significant financial and/or legal exposure for Numeric and its clients. Numeric seeks to mitigate attacks on its own systems and those of its clients but will not be able to control directly the risks to third-party systems to which it may connect. Any breach in security of Numeric's systems could disrupt clients' and Numeric's business and may cause clients and Numeric to suffer, among other things, financial loss, the disruption of its business, liability to third parties, regulatory intervention and/or reputational damage.

Assumption of Business, Terrorism and Catastrophe Risks. Opportunities involving the assumption by the client of various risks relating to particular assets, markets or events may be considered from time to time. The client is subject to the risk of loss arising from exposure that it may incur, directly or indirectly, due to the occurrence of various events, including, without

limitation, hurricanes, earthquakes, and other natural disasters, pandemics or other public health crises, terrorism and other catastrophic events and events that could adversely affect the health or life expectancy of people. These risks of loss can be substantial, could greatly exceed all income or other gains, if any, received by the client in assuming these risks and, depending on the size of the loss, could adversely affect the return of the client

Effects of Health Crises and Other Catastrophic Events. Health crises, such as pandemic and epidemic diseases, as well as other catastrophes such as natural disasters, war or civil disturbance, acts of terrorism, power outages and other unforeseeable and external events, that result in disrupted markets and/or interrupt the expected course of events, and public response to or fear of such crises or events, may have an adverse effect on the operations of and, where applicable, investments made by the Funds and Separate Accounts, and the firm. For example, any preventative or protective actions taken by governments in response to such crises or events may result in periods of regional, national or international business disruption. Such actions may significantly disrupt the operations of Numeric and the other service providers to the Funds and Separate Accounts. Further, the occurrence and duration of such crises or events could adversely affect economies and financial markets either in specific countries or worldwide. The impact of such crises or events could lead to negative consequences for Numeric's clients, including, without limitation, significant reduction in the value of the client's assets, reduced liquidity of the client's investments, and restrictions on the ability of the client to value its investments. These risks of loss can be substantial, could greatly exceed all income or other gains, if any, received by the client in assuming these risks and, depending on the size of the loss, could adversely affect the return of the client.

Model Portfolio Services. When providing model portfolio services to a client, Numeric makes recommendations and the client is solely responsible for making all security purchase and sale decisions for and on behalf of its own accounts or its clients' accounts. There is a potential disadvantage related to the timing of the delivery of Numeric's recommendations. A delay between a client's receipt of Numeric's recommendations and the client's execution of a particular transaction may render some or all of Numeric's recommendations obsolete due to potential market or issuer events. In addition, Numeric may buy or sell positions in securities included in its recommendations for itself or other clients prior to, at the same time as or after the time that Numeric makes such recommendations. Such transactions could impact the prices at which a client is able to effect transactions based on Numeric's recommendations. As of the date that the transactions are executed, the recommendations may no longer reflect Numeric's ideal recommendations due to changes in market activity or Numeric's outlook.

Limitations of Risk Disclosures. The above discussions of the various risks associated with an investment with Numeric are not, and are not intended to be, a complete enumeration or explanation of the risks involved in an investment. Fund investors should refer to their offering documents, and consult with their own advisors before deciding whether to invest.

**IT IS CRITICAL THAT INVESTORS REFER TO THE APPLICABLE GOVERNING DOCUMENTS FOR A COMPLETE UNDERSTANDING OF THE MATERIAL RISKS INVOLVED IN AN INVESTMENT IN THE FUNDS AND SEPARATELY MANAGED**

**ACCOUNTS, INCLUDING THE RISK OF FINANCIAL LOSS. THE INFORMATION CONTAINED HEREIN IS A SUMMARY ONLY AND IS QUALIFIED IN ITS ENTIRETY BY SUCH DOCUMENTS.**

## **ITEM 9: DISCIPLINARY INFORMATION**

On April 7, 2021, Man Group plc (“Man”), an advisory affiliate of Numeric Investors LLC based in London, UK, agreed to pay a fine of €240,000 to the Comision Nacional Del Mercado de Valores (the “CNMV”), pursuant to a settled resolution, in connection with the CNMV’s findings that Man had not complied with European Union (“EU”) regulations requiring the disclosure of an investor’s short positions in the securities of any issuer based in an EU member country, such as Spain. Specifically, the European Securities and Markets Authority (“ESMA”) has issued regulations on short selling and credit default swaps (“SSR”) that require investors to file reports disclosing any short positions above a threshold of 0.2% of an issuer’s outstanding shares, with additional disclosure thresholds at increasing intervals of 0.1%. Thus, an investor must file disclosures calculating its net short position whenever it crosses thresholds (up or down) of 0.2%, 0.3%, 0.4%, 0.5% etc. In the case of Man, the CNMV determined that, between December 2017 and November 2018, three of Man’s affiliated managers, including Numeric Investors LLC had on five occasions failed to correctly disclose their net short position in four Spanish issuers amounting to between 0.2% and 0.7% of the issuers’ outstanding shares. The SSR regulations impose rules for calculating net short positions at the fund level among affiliated entities, which Man attempted to apply in good faith. See ESMA 70-145-408, question 8.5, available at [https://www.esma.europa.eu/sites/default/files/library/esma70-145-408\\_qa\\_on\\_ssr.pdf](https://www.esma.europa.eu/sites/default/files/library/esma70-145-408_qa_on_ssr.pdf). In four cases, the irregularities arose from the incorrect identification of the position holding entity within Man; (for example, a position held by one Man manager was incorrectly notified as a position held by another Man manager). This misreporting resulted in delayed correcting notifications to the CNMV. In one instance, a position was inadvertently not reported. The order related to Man is set forth in dispatch record no. 2021025805 of the CNMV. The CNMV did not determine that Man engaged in any misleading or deceptive conduct, nor that it committed any violation in connection with providing investment advisory services to any clients.

In 2019, following the reporting issues noted above, Man implemented a number of measures which included the implementation of a new third party shareholder disclosure system, FundApps, in order to strengthen Man’s systems and controls and reduce the manual component of Man’s reporting processes.

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

### **A. Broker-Dealer Registration Status**

Neither Numeric nor any of its management persons, is registered as a broker-dealer and does not have any application pending to register with the SEC as a broker-dealer. Numeric utilizes the sales team of its affiliate, Man Investments Inc. (“MII”), to assist in the marketing of its investment services. MII is a limited purpose broker-dealer registered with the SEC and a member of Financial Industry Regulatory Authority, Inc. (“FINRA”). MII acts as a solicitor for Separate Accounts or

a solicitor, selling agent and/or investor servicing agent for certain of the Private Funds for which it may be compensated as agreed between Numeric and MII.

**B. Futures Commission Merchant, Commodity Pool Operator or Commodity Trading Adviser Registration Status**

Numeric is registered with the U.S. Commodity Futures Trading Commission (“CFTC”) as a commodity pool operator (“CPO”) and a member of the National Futures Association (“NFA”).

**C. Material Relationships or Arrangements with Industry Participants**

Numeric is affiliated and under common ownership with the following New York based entities: Man Investments Inc., a limited purpose broker dealer registered with the SEC and member of FINRA, which provides marketing and placement agent services to affiliated entities; GLG LLC, an investment adviser registered with the SEC, a commodity pool operator registered with the CFTC and a member of the NFA; FRM Investment Management (USA) LLC (“FRM USA”), an investment adviser registered with the SEC, a commodity trading adviser and commodity pool operator registered with the CFTC and a member of the NFA; Silvermine Capital Management, LLC, an investment adviser registered with the SEC; and Man Solutions (USA) LLC (“Man Solutions (USA)”), an investment adviser registered with the SEC. Numeric has an office in New York where it shares office space with Man Solutions (USA) LLC, Silvermine Capital Management LLC, Man Global Private Markets (USA) Inc., GLG LLC and Man Investments Inc. FRM USA and Man Solutions (USA) may, on behalf of their clients and/or funds, invest in the funds advised or sub-advised by Numeric or its affiliates. FRM USA undergoes the same due diligence process for investments it considers in funds advised by Numeric as it would for unaffiliated funds. Numeric is also affiliated and under common ownership with Man Global Private Markets (USA) Inc., an investment adviser registered with the SEC based in Charlotte, NC with an office in New York, NY.

Numeric is affiliated and under common ownership with the following London based entities that are authorized and regulated by the Financial Conduct Authority: AHL Partners LLP, an investment adviser registered with the SEC, a commodity trading adviser and commodity pool operator registered with the CFTC and a member of the NFA; Man Solutions Limited, an investment adviser registered with the SEC and a commodity pool operator registered with the CFTC and a member of the NFA; Man Global Private Markets (UK) Limited, an investment adviser registered with the SEC; GLG Partners LP, an investment adviser registered with the SEC, a commodity pool operator registered with the CFTC and a member of the NFA; and Man Group Investments Limited. Man Solutions Limited is an affiliated investment adviser which provides customized portfolios to its clients across strategies managed by its affiliates, including Numeric.

Numeric is also affiliated and under common ownership with Man Investments (Hong Kong) Ltd, licensed by the Hong Kong Securities and Futures Commission; Man Investment Management (Shanghai) Co., Ltd. based in Shanghai, China and registered as a Private Fund Manager with the Asset Management Association of China; Man Investments Australia Limited an investment adviser registered with the SEC and licensed by the Australian Securities and Investments Commission based in Australia; Man Asset Management (Ireland) Limited, an investment adviser regulated by the Central Bank of Ireland; Man Asset Management (Cayman) Limited, a manager

regulated by the Cayman Islands Monetary Authority; and Man Investments AG (“MIAG”), located in Switzerland and registered with the Swiss Financial Market Supervisory Authority as a Representative. Numeric and certain of its Funds have entered into a distribution agreement with MIAG.

Numeric, its affiliates and its personnel serve as investment advisers and investment managers to multiple pooled investment vehicles and managed accounts. Numeric, its affiliates and its personnel may take action or give advice with respect to certain clients and accounts that differs from the advice given to other clients and accounts. Numeric, its affiliates and its personnel will devote as much time to the activities of each client or account as they deem necessary and appropriate, and the amount of time devoted to different clients and accounts may vary.

**D. Material Conflicts of Interest Relating to Other Investment Advisers**

Numeric does not recommend or select other third-party investment advisers for its clients.

From time to time, certain affiliates may seed funds to which Numeric provides investment management services.

Numeric may provide aspects of its systems, know-how, analyses and certain models to its affiliates.

Potential and actual conflicts of interest may arise from the activities described herein. Numeric has established policies and procedures to monitor and to the extent possible resolve conflicts of interest and will endeavor to resolve conflicts with respect to investment opportunities in a manner it deems appropriate and equitable to the extent possible under the prevailing facts and circumstances.

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

**A. Code of Ethics**

Numeric strives to adhere to the highest industry standards of conduct based on principles of professionalism, integrity, honesty and trust. Accordingly, Numeric has adopted a Global Code of Ethics (the “Code”) that is supplemented by additional policies and procedures that are designed to reinforce its institutional integrity, and to set forth procedures and limitations which govern, amongst other matters, the personal securities transactions of its employees. The Code was developed to promote the highest standards of behavior and to ensure compliance with all applicable regulations.

The Code applies to all of Numeric's employees. The Code contains policies and procedures that, among other things:

- Require employees to observe fiduciary duties owed to clients;

- Prohibit employees from taking personal advantage of opportunities belonging to clients;
- Prohibit trading on the basis of material nonpublic information;
- Require employees to comply with anti-money laundering requirements;
- Place limitations on personal trading by employees and impose pre-clearance and reporting obligations with respect to such trading (with the exception of certain security types);
- Impose limitations on the giving or receiving of business related gifts and entertainment;
- Restrict employee outside business activities;
- Require employees to disclose conflicts of interest;
- Require pre-clearance on political contributions; and
- Prohibit disclosure by employees of confidential information of Numeric and its clients.

Employee personal trades in securities covered by the Code are monitored by the Chief Compliance Officer or designee and governed by the procedures set forth in the Code. Employees may from time to time have proprietary investments in which clients advised or sub-advised by Numeric also take a position, may trade and invest simultaneously with such clients, and may take investment positions that are different from or opposite to the positions taken by such clients. In general, all personal securities transactions (except for US open-ended mutual funds, US Treasury securities, or other permitted investments listed in the Code) are subject to pre-clearance by the Chief Compliance Officer, or designee. A copy of Numeric's Code is available to clients and prospective clients upon request by contacting [compliance-ni@man.com](mailto:compliance-ni@man.com).

Furthermore, Numeric has adopted procedures to prevent and detect misuse of material nonpublic information. Specifically, Numeric's procedures prohibit any employee from trading, either personally or on behalf of others (such as client accounts advised or sub-advised by Numeric), while in possession of material, nonpublic information, and prohibit employees from communicating material, nonpublic information to others in violation of the law.

From time to time, as part of its business activities, Numeric or its affiliates come into possession of material, non-public information concerning specific issuers. Under applicable laws and Numeric's procedures, this may limit Numeric's flexibility to buy or sell securities of such issuers.

Numeric 's clients are subject to Man's Global Banned Weapons Policy, which is designed to ensure compliance with a number of conventions and relevant laws that have been implemented globally to ban the manufacture, supply and distribution of anti-personnel landmines, cluster munitions, biological weapons, chemical weapons, blinding laser weapons and non-detectable fragments. This may limit Numeric's flexibility to buy or sell securities of issuers that, among a range of other activities, are involved in banned weapons for its clients. In addition, certain of Numeric's clients may be subject to the Man Responsible Investment framework which considers responsible investment criteria when making investment decisions.

Numeric and its affiliates are subject to certain position limits, including commodities. Under applicable laws and internal procedures, this may limit Numeric's flexibility to buy certain futures contracts or derivatives thereon.

Related persons and personnel of Numeric and its affiliates (the "Advisory Affiliates") may invest in or have a financial interest in the Private Funds and affiliated Sub-Advised Funds and may not

invest in all such Private Funds or affiliated Sub-Advised Funds. It is expected that the size of these investments or the financial interest will change over time. Potential conflicts may arise due to the fact that the Advisory Affiliates may have investments or financial interests in some Private Funds and affiliated Sub-Advised Funds but not in others or may have different levels of investments or financial interests in various Private Funds and affiliated Sub-Advised Funds, and because the Private Funds and affiliated Sub-Advised Funds may pay different levels of fees.

In addition, from time to time, certain Advisory Affiliates make personal investments in securities or financial instruments which may be appropriate for, may be held by, or may fall within client investment guidelines. Such Advisory Affiliates may buy, sell, or hold securities or other financial instruments for their own accounts while entering into different investment decisions for one or more clients. These activities may adversely affect the prices and availability of securities or financial instruments held by or potentially considered for one or more clients.

From time to time, Numeric or Advisory Affiliates form and manage additional pooled investment vehicles and advise other client accounts with similar or different investment strategies as the Funds or Separate Accounts currently advised or sub-advised by Numeric. It may be appropriate for more than one Fund or Separate Account advised by Numeric to trade in the same securities at the same time. Numeric has policies and procedures to manage the conflicts of interest in connection with such trades.

**B. Securities in Which Numeric or a Related Person Has a Material Financial Interest**

As noted in Items 5 and 10, Numeric acts as either general partner or investment manager to each of the Private Funds sponsored by Numeric. For its services as general partner or investment manager, Numeric generally receives a management fee calculated as a percentage of the Private Fund's net assets and, in most cases, a performance-based fee. In certain instances, an affiliate of Numeric will provide seed capital to fund new Private Funds or affiliated Sub-Advised Funds. Also, certain Insiders have accounts advised by Numeric ("Affiliate Accounts") that are permitted to own, buy and/or sell interests in the Private Funds. Accordingly, Numeric and its Affiliate Accounts may from time to time have a substantial interest in certain of the Funds managed by Numeric which could create an incentive for Numeric to favor such Funds over other Funds and Separate Account clients. If Numeric's or its Affiliate Accounts' interests in a Fund or Separate Account are substantial, such Fund or Separate Account may also be treated as an Affiliated Account for certain purposes. Affiliated Accounts may have more restrictions than non-affiliated accounts due to their relationship with Numeric. Please see Item 10 above for more details about the Private Funds.

Numeric generally does not engage in cross trades. In the event that Numeric chooses to engage in cross trades on behalf of client accounts, such cross trades may be arranged through a broker and effected at an independently verifiable current price. For cross trades involving non-exchange traded securities, to the extent possible, quotes are obtained from different brokers. Commissions may or may not be charged in cross trades. A determination will be made as to whether a cross transaction is appropriate on a case-by-case basis and in accordance with any client or regulatory

restrictions. Each cross transaction will be performed consistently with Numeric's policies and procedures.

To the extent that Numeric engages in cross trades and such cross trades are considered a principal transaction covered by Section 206(3) of the Advisers Act, Numeric will comply with the requirements of Section 206(3) of the Advisers Act with respect to any US client or fund, including that Numeric will notify the applicable client in writing of the transaction and obtain the client's consent.

Numeric does not consider inadvertent cross transactions that may take place in the market between as a result of investment decisions taken by Numeric and its affiliates as cross transactions or principal transactions.

### **Valuation**

Each Separate Account is responsible for its own valuation of assets which typically a third party custodian provides. To the extent requested, Numeric will provide Separate Account clients with information that may assist in the valuation of assets. However, Numeric will not be responsible for the valuation of Separate Account assets.

For Private Funds, valuation policies and procedures have been established that seek to establish a consistent framework and methodology for the determination, validation, approval, regular monitoring and review of the pricing of all positions of each Private Fund. The Private Fund's directors have appointed an Independent Pricing Committee (the "IPC") to undertake certain services concerning the valuation policies and procedures relating to each Fund. The IPC is an independent body set up to: (1) establish a pricing matrix (a table which lays out a pricing source for certain assets and liabilities) which the directors will decide whether to adopt for the Fund and if so will thereafter be used by the administrator to calculate the value of the assets and liabilities held by the Fund; and (2) establish the prices of any positions held in the Fund that do not have an independently ascertainable value as per the pricing matrix. In addition, the IPC provides general governance and oversight of the valuation process.

### **C. Investing in Securities that the Investment Adviser or a Related Person Recommends to Clients**

The Code places restrictions on personal trades by employees, including that they disclose their personal securities holdings and transactions to Numeric on a periodic basis, and requires that employees pre-clear certain types of personal securities transactions. Generally, and subject to certain exceptions, Numeric's employees may not engage in personal securities trading without pre-clearance. Accordingly, under certain circumstances, Numeric, its affiliates and its employees may invest on behalf of themselves in securities and other instruments that would be appropriate for, held by, or may fall within the investment guidelines of client accounts.

Numeric, its affiliates and its employees may give advice or take action for their own accounts that may differ from, conflict with or be adverse to advice given or action taken for clients. These activities may adversely affect the prices and availability of other securities or instruments held by or potentially considered for one or more clients. Potential conflicts also may arise due to the fact that Numeric and its personnel may have investments in some Private Funds but not in others or may have different levels of investments in the various Private Funds.

Numeric has established policies and procedures to monitor and resolve conflicts with respect to investment opportunities in a manner it deems fair and equitable, including the restrictions placed on personal trading in the Code, as described above, and regular monitoring of employee transactions and trading patterns for actual or perceived conflicts of interest, including those conflicts that may arise as a result of personal trades in the same or similar securities made at or about the same time as client trades.

**D. Conflicts of Interest Created by Contemporaneous Trading**

Under certain circumstances, Numeric may take inconsistent positions in the same security on a particular trading day. This can happen in one of two cases:

- account rebalancing (for example, in connection with a contribution or withdrawal or the commencement or termination of an account); or
- Numeric's investment models provide conflicting signals (buy or sell) for different strategies with different objectives, including different strategies managed in different sleeves of one Fund.

In the former case, these transactions are client directed. In the latter case, these situations can arise, for example, when the model for a strategy that is focused on longer-term valuation might be positive for a particular security at the same time that the model for a strategy that is focused on shorter-term momentum is negative.

In order to mitigate potential conflicts that arise from these situations, Numeric has implemented the following controls. A pre-trade check warns a portfolio manager if he or she has placed an order that is contrary to the model for the applicable strategy. When such an order is placed, the system will not allow the order to proceed without being expressly overridden in the order management system. This check is designed to ensure that conflicting orders in the same strategy (for example, in the case of a contribution, withdrawal or commencement or termination of an account) are intentional and not the result of an error. In addition to the pre-trade check, Numeric ensure that opposite way trades that are handled manually are never handled by the same trader and opposite way trades that are handled algorithmically are handled through tools that are designed to not favor one account to the detriment of another.

Numeric will have no obligation to purchase or sell a security for, enter into a transaction on behalf of, or provide an investment opportunity to any client solely because Numeric purchases or sells the same security for, enters into a transaction on behalf of, or provides an opportunity to any client if, in its reasonable opinion, such security, transaction or investment opportunity does not appear to be suitable, practical or desirable for the client.

**ITEM 12: BROKERAGE PRACTICES**

**A. Factors Considered in Broker Selection**

Numeric will place orders for the execution of transactions for client accounts in accordance with its best execution policies, which take into account a number of factors including, among other

things, historical execution performance, commission rates (and other transactional charges), the broker's financial strength, ability to commit capital, stability and responsibility, reputation, reliability, overall past performance of services, execution research capability and coverage, responsiveness to Numeric as well as means of communication, ability to execute trades based on the characteristics of a particular trade, technology and trading systems, trading activity in a particular security, block trading and block positioning capabilities, nature and frequency of sales coverage, net price, depth of available services, arbitrage operations, willingness to execute related or unrelated difficult transactions, order of call, back office, settlement processing and special execution capabilities, efficiency and speed of execution, and error resolution. Accordingly, transactions will not always be executed at the lowest available price or commission.

Numeric does not adhere to any rigid formulas in selecting brokers, but weighs a combination of factors. There is, however, no direct correlation between these factors and the allocations of brokerage for client accounts advised or sub-advised by Numeric. Because of the range of factors considered by Numeric, it is possible that Numeric's clients may pay brokerage commissions in excess of that which another broker might have charged for effecting the same transaction. Numeric will make a good faith determination that the amount of commission is reasonable in relation to the value of the products and services received, the broker's execution ability, and other factors.

Numeric does, at times, participate in "give-ups" for certain OTC derivatives.

### **Delegation to Affiliates**

Numeric delegates its order handling and execution responsibilities to a centralized trading desk. In doing so, Numeric ensures that the centralized trading desk complies with its policies and procedures relating to order handling and execution responsibilities. Numeric believes that such delegation is consistent with its obligations and is in the best interests of its clients. Numeric's affiliates may also delegate order handling and execution responsibilities to Numeric.

**1. Research and Soft Dollar Benefits.** Ongoing research and live data feeds are critical elements of Numeric's investment management process. Accordingly, Numeric is a significant user of research and brokerage related products and services which assist Numeric in carrying out its investment decision making responsibilities. These services include, but are not limited to, research, data feeds, and analytical software. Numeric adheres to Section 28(e) of the Securities Exchange Act of 1934, as amended (the "Exchange Act") in connection with its use of soft dollars. In some cases, Numeric acquires a product or service which also has non-research uses. In these cases, Numeric makes a reasonable allocation of the soft dollar cost of the product or service according to its use. That portion of the product or service which provides administrative or other non-research services is paid for by Numeric in hard dollars.

During Numeric's last fiscal year, services and products acquired with soft dollar commissions generally included the following, among other services and products: indices data, pricing data, equity research analysis, exchange data (e.g., Bloomberg), news services and trading/settlement software and fees.

Numeric may execute securities transactions with multiple executing brokers, including the prime brokers appointed for the Funds. Many of these brokers provide Numeric with access to proprietary research reports (such as standard investment research) which may be used for any or all accounts. This type of research is paid for in hard dollars by Numeric.

Eligible soft dollar goods and services may be used for the benefit of accounts over which Numeric has investment discretion that did not participate in a particular trade, or for the benefit of an account or accounts that have not generated or do not generate soft dollar credits (*i.e.*, do not pay the portion of the commission attributable to research and brokerage related services). Numeric reserves the right to charge such accounts a higher fee. Numeric also reserves the right to purchase (and from time to time purchases) research and brokerage related services with “hard dollars”.

Numeric may enter into commission sharing arrangements with brokers to facilitate payments for certain products and services as noted above. Commission sharing arrangements allow for a portion of brokerage execution commission to be allocated to third parties for allowable Section 28(e) products and services.

To the extent permitted, products and/or services obtained by Numeric may be used in servicing any or all of the clients advised by Numeric. In addition, some Products and/or Services may not necessarily be used in whole or in part by Numeric in managing the client that generated the commissions used to pay for such Products and/or Services. Numeric does not seek to allocate soft dollar benefits to clients in proportion to the soft dollar credits the clients generate. Furthermore, other clients may receive the benefit, including disproportionate benefits, economies of scale or price discounts in connection with Products and/or Services that may be provided to a client.

Numeric may share products and/or services obtained with commissions generated by trades made by Numeric clients with certain of its affiliates to be used in servicing such affiliate’s clients. Numeric may also receive products and/or services obtained with commissions generated by trades of such affiliate’s clients that it will use in servicing its clients.

Soft dollar arrangements present a potential conflict of interest. When soft dollar arrangements are not used, research and brokerage services generally are treated as a direct expense of the investment adviser. When soft dollar arrangements are used, such services are paid for with commissions on client transactions. As a result an investment adviser may have an incentive to select or recommend a broker-dealer based on its interest in receiving certain products or services, rather than on the client’s interest in receiving most favorable execution. To mitigate this potential conflict, Numeric actively manages its soft dollar budget to ensure compliance with Section 28(e) of the Exchange Act and to ensure that the overall expenditures are reasonable in relation to Numeric’s business.

2. ***Brokerage for Client Referrals.*** Numeric does not consider capital introduction and marketing assistance with respect to investors in the Funds when selecting or recommending broker-dealers for the Funds. However, Numeric’s affiliate, MII may be invited to capital introduction events as a result of the relationship Numeric and its affiliates have with such broker dealers.

3. ***Directed Brokerage.*** Generally, Numeric does not engage in directed brokerage. However, in circumstances where it receives specific instructions from a client regarding the use of specific brokers for account transactions, for example in relation to an approved broker list it will consider that it has discharged its best execution obligation when executing the order in accordance with those specific instructions. It is the client's responsibility to evaluate such brokers when providing such instruction.

Broker or counterparty restrictions imposed by clients may prevent Numeric from taking the steps designed and implemented in its best execution policy to obtain the best possible result for the execution of those orders in respect of any element of the order covered by those instructions.

## **B. Trade Aggregation and Allocation**

Client orders may be aggregated if, in Numeric's reasonable judgment, such aggregation is in the best interest of the participating accounts. Numeric has established policies and procedures for the aggregation and allocation of trades for its clients. As a general principle, Numeric seeks to allocate trading and investment opportunities among all accounts in a manner it deems equitable over time. However, there can be no assurance that any Separate Account client or Fund will participate in any particular trade or investment opportunity on an equal or *pro rata* basis with other clients. Certain affiliated accounts may trade in the same securities with client accounts on an aggregated basis when consistent with Numeric's obligation of best execution. In such circumstances, the affiliated and client accounts will share commission costs equally and receive securities at a total average price. Numeric will retain records of the trade order (specifying each participating account) and its allocation, which will be completed prior to the entry of the aggregated order. Completed orders will be allocated as specified in the initial trade order. Partially filled orders will generally be allocated on a *pro rata* basis. Any exceptions will be explained on the order. The Global Order Aggregation and Trade Allocation policies and procedures set forth the conditions that determine how Numeric will aggregate and/or allocate a given investment opportunity or trade among clients, including without limitation the establishment of a trading threshold (*i.e.*, a percentage of predicted average daily trading volume of a security), the principles and exceptions to the policy and procedures, and compliance review of the policies and procedures. Orders for any proprietary or testing accounts will be subject to the same allocation procedures as those applicable to client accounts.

## **C. Trade Error Policy and System Events Policy**

In the event that Numeric experiences an error with respect to trades made on behalf of clients, a formalized process is in place for the resolution of such errors. Numeric will correct such error in accordance with its policies and procedures. If such errors result in losses, they will be borne by Numeric and interest will generally not be paid on such losses. Please refer to Item 8.B under "Trade Error Risk" for additional information and risk disclosures pertaining to trade errors.

The systematic approach to the investment strategies utilized by Numeric harnesses complex econometric and statistical theories, research and modeling which may result in a System Event. Numeric will correct such System Event in accordance with its policies and procedures. Any losses or gains arising from a System Event shall be borne by the applicable Separate Account or Fund

unless otherwise determined by Numeric. Please refer to Item 8.B under “Model and Data Risk” for additional information and risk disclosures pertaining to system events.

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

### **A. Frequency and Nature of Review of Client Accounts or Financial Plans**

Ordinarily, the portfolios managed by Numeric on behalf of Funds and Separate Account clients are reviewed against Numeric’s quantitative models and against client investment objectives and risk constraints every day before the market opens by portfolio managers for the appropriate investment strategy (the “Portfolio Management Team”). In addition, corporate and earnings news is received and interpreted as it happens during the day to identify specific securities whose model scores may change enough to elicit a trade. A member of the Portfolio Management Team reviews final model scores from the firm’s quantitative models in order to determine that the inputs are accurate and the models were run correctly. All portfolios managed on behalf of Funds and Separate Accounts undergo the same review by the Portfolio Management Team.

In addition to the reviews performed by the Portfolio Management Team, the Portfolio Risk team reviews portfolios for adherence with Fund and Separate Account client guidelines on a daily basis. A member of the Portfolio Management Team is responsible for entering new client guidelines and restrictions into the model for each portfolio, which is integrated into the order management system. In addition to the controls embedded in each model, compliance with client guidelines and restrictions is monitored using automated monitoring software. In both instances, reports are generated daily and any discrepancies are reconciled by the Portfolio Risk Team, with oversight from Compliance. All guideline exceptions are sent to the Portfolio Managers.

### **B. Factors Prompting Review of Client Accounts Other than a Periodic Review**

A review of a client account may be triggered by changes in market conditions; change of security positions; changes in investment objectives or policies; capital inflows/outflows; and other reasons including for reasons not yet identified by the Portfolio Management Team.

### **C. Content and Frequency of Account Reports to Clients**

Most Separate Account clients receive performance and valuation reports each month with their portfolio’s return and value for the preceding month. In some cases, preliminary returns are provided to Separate Account clients. At the end of each quarter, such Separate Account clients receive a letter showing portfolio returns versus their benchmark’s returns. In such letters, the portfolio’s holdings may be compared with the benchmark’s concentrations in each market sector.

The requirements for frequency and content of reports will be set forth in the documents for each Separate Account.

Investors in the Private Funds generally receive estimated and final monthly statements, as applicable, generally showing account values, changes in account values, account activity, asset allocation, currency exposure and performance. Investors in Private Funds also generally receive

audited financial statements prepared within either 90 days or 120 days, depending on regulatory requirements, of the applicable fund's fiscal year end.

While all investors generally receive similar information, to the extent an investor receives information (that other investors have not received), which is in addition to information provided in a Private Fund's regular reports to investors, such information may provide such investor with greater insight into the Private Fund's activities. This may enhance such investor's ability to make investment decisions with respect to a Private Fund and possibly affect such investor's decision to request redemption from such Private Fund.

Affiliated investment advisers that invest in Numeric Private Funds will receive information with greater transparency on such Fund that may not otherwise be made available to other investors.

Certain Separate Accounts are managed in the same strategy as Private Funds, which may result in such clients receiving information, also relevant for the Private Fund, with greater transparency than would otherwise be made available to the Private Fund investors.

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

### **A. Economic Benefits for Providing Services to Clients**

Numeric does not receive economic benefits from non-clients for providing investment advice and other advisory services.

### **B. Compensation to Non-Supervised Persons for Client Referrals**

From time to time, Numeric and/or its affiliates utilize third-party placement agents or solicitors that receive compensation, which may be borne either by Numeric or its affiliates or by the investor or client, for referring the client to Numeric or investors to the Private Funds. Compensation may be in the form of a percentage of management fees or performance fees, a flat fee or as otherwise agreed. Numeric or its affiliates may benefit from the arrangements where clients are referred directly to it and/or investors are referred directly to a Private Fund, since the management fees are generally based upon a percentage of such client's assets under management. Thus the more assets Numeric or its affiliates has under management, the higher the management fee income. If applicable, any such arrangement with a third-party solicitor will comply with under the Advisers Act.

MII, a U.S. based affiliate of Numeric, acts as a solicitor for Separate Accounts and the selling agent and/or investor servicing agent for certain Private Funds in the U.S. Numeric may pay a portion of its fees to MII for its services. MII may receive a percentage of a Private Fund's management fee to act as selling agent and/or investor service agent. In addition, MII has entered into agreements with other broker-dealers and certain financial advisers to solicit interests in Private Funds and/or to provide ongoing investor services and account maintenance services to investors. Each such broker-dealer and financial adviser generally receives compensation based on the aggregate value of outstanding interests held by investors that receive services from such

persons, fixed amounts or other agreed upon compensation. Such compensation generally will be paid by MII from the fees that it receives from a Private Fund or Numeric.

In addition, Numeric has entered into an agreement with MIAG which may contract with other affiliates to market Numeric services in jurisdictions outside of the US and Canada. Each Numeric Fund may also enter into a distribution agreement directly with MIAG to sell Fund interests to non-US persons.

## **ITEM 15: CUSTODY**

All of the Private Funds' and Separate Account clients' funds and securities are held by qualified custodians. Investors in the Private Funds receive the applicable Private Fund's annual financial statements audited by an independent public accounting firm.

With regards to the Private Funds, Numeric is subject to Rule 206(4)-2 under the Advisers Act (the "Custody Rule"). In accordance with the Custody Rule, each Private Fund is subject to audit at least annually by an independent public accountant that is registered with, and subject to regular inspection by, the Public Company Accounting Oversight Board, and the audited financial statements are subsequently distributed to all investors within 120 days of the end of its fiscal year.

Numeric generally does not have custody of the assets held by Separate Accounts. To the extent Numeric is deemed to have custody of a Separate Account's assets, Numeric will comply with the Custody Rule. Should Numeric directly debit fees from such clients' Separate Account, Numeric may be deemed to have custody as a result of such authority. In these cases, in order to comply with the Custody Rule, Separate Accounts will receive statements directly from the Separate Account's qualified custodian(s) (as defined in the Custody Rule) on at least a quarterly basis. Separate Account clients should carefully review those statements regarding the investment activities and fees for the account.

## **ITEM 16: INVESTMENT DISCRETION**

In general, Numeric provides discretionary investment advisory services to Separate Account clients consistent with the stated investment objectives for the particular client account.

Numeric exercises discretion in managing the investments of each Private Fund, based on the Private Fund's applicable investment objectives, policies and strategies set forth in its governing documents.

Investment guidelines and restrictions are agreed to between Numeric and the client. Where permitted under governing Fund documents. In addition, Numeric may apply certain restrictions across multiple Separate Accounts and/or Funds if Numeric determines, at its discretion, that the efficiencies achieved are in the best interest of the portfolios or model portfolios.

## ITEM 17: VOTING CLIENT SECURITIES

### A. Proxy Voting

Numeric has adopted policies and procedures to ensure that any proxy voted on behalf of its clients is voted in a manner which is in the best interests of such clients.

Proxies will be voted for clients at Numeric's discretion, where Numeric has been specifically instructed by a client to vote proxies or where Numeric is required to vote a proxy for a client (each a "Proxy Client"). In such cases, proxies will be evaluated and voted in the best interest of the relevant Proxy Client(s). It should be noted that there may be times whereby Numeric invests in the same securities/assets while managing different investment strategies and/or client accounts; accordingly, it may be appropriate in certain cases that such securities/assets are voted differently across different investment strategies and/or client accounts, based on their respective investment thesis and other portfolio considerations. Numeric will only vote proxies on securities currently held by clients. Proxies received for securities that are loaned, on contract for difference/swap or where there is no economic interest will generally not be voted.

Numeric will endeavor to identify material conflicts of interest, if any, which may arise between Numeric and one or more issuers of clients' portfolio securities, with respect to votes proposed by and/or affecting such issuer(s), in order to ensure that all votes are voted in the overall best interest of clients. Numeric has established a committee to be responsible for among other functions resolving proxy voting issues when deemed necessary; making proxy voting decisions where a material conflict of interest may exist; monitoring compliance with the Global Proxy Voting Policy; and setting new and/or modifying existing policy.

Numeric has appointed, and will appoint from time to time, one or more proxy voting service companies, to provide it with proxy voting services for certain Proxy Clients. Where applicable, Numeric will vote proxies for the relevant Proxy Clients in accordance with the relevant proxy voting service company's proxy voting guidelines, unless specifically instructed to vote otherwise by the committee or Proxy Client.

Numeric Proxy Voting Policy is based on the Glass Lewis standard policy and the following additional ESG-oriented principles:

Key areas	Numeric Proxy Voting Policy
1. <b>Board Gender Diversity</b>	Vote against the chair of the Nomination committee wherein a company fails to meet legal requirements, nominate any women to the board, or meet the best practice standard prevalent in the market and has not disclosed any cogent explanation or plan regarding board gender diversity.

<b>2. Board Tenure and Refreshment</b>	Vote against members of the Nomination and/or Governance committees wherein the board has an average tenure of greater than 10 years and there have been no new nominees in the last 5 years.
<b>3. Executive Compensation</b>	Vote against executive compensation policies wherein a company has received a Pay-for-Performance grade of 'D' or 'F' and sustainability is not an explicit consideration when determining executive pay.  * Only applies to Canada, USA, and Australia.
<b>4. Independent Auditor</b>	Vote against reappointment if the auditor has been serving for longer than 20 years.
<b>5. Reincorporation</b>	Vote against reincorporation proposals wherein a company will be reincorporating to a tax haven and / or reincorporating offshore for tax and / or governance avoidance or to the detriment of shareholders.
<b>6. Shareholder Proposals</b>	Support any shareholder initiatives that request additional disclosure on behalf of a company or are otherwise socially-positive, and not conversely aimed at limiting disclosure or consideration of key issues.

The Glass Lewis standard proxy voting guidelines can be found on Glass Lewis' website at: <http://www.glasslewis.com/guidelines/>

Nevertheless, in voting proxies, Numeric will take into account what is the overall best economic interest of its Proxy Clients. Numeric will maintain documentation memorializing the decision to vote a proxy in a manner different from what is stated in the relevant proxy voting guidelines.

Numeric may abstain from voting a proxy when it is determined that the cost of voting the proxy exceeds the expected benefit to the client. Documentation will be maintained of all proxies that are not voted for Proxy Clients and the reasons therefor where Numeric has been instructed by the Proxy Client to vote.

Clients may contact a member of Numeric's Client Service Group via e-mail: ClientService-NI@numeric.com or via telephone at: (617) 897-7800, in order to obtain information on how Numeric voted such client's proxies, and to request a copy of these policies and procedures.

## **B. Class Actions and Securities Litigation**

Numeric only participates in class actions on behalf of its clients (as authorized) to the extent possible and practical and where it believes it is in the best interests of the clients to do so. There may exist circumstances where a recovery is possible but Numeric does not believe it is in the clients' best interest to so participate. Numeric utilizes the services of a third party class action service provider to file claims and participate in class action settlements. Only current clients or Fund investors will receive any proceeds received from class action recoveries. Investors that have fully redeemed will not receive any class action proceeds. Numeric may consider a de minimus amount with regards to distributing any proceeds received.

Numeric may from time to time receive notification of and/or determine to engage or participate in litigation regarding investments held by clients. Numeric may participate in those lawsuits where Numeric has made the determination that the potential benefit to its clients outweighs the costs of participation in the litigation. Any monies recovered as a result of any such litigation will be allocated on a pro rata or other appropriate basis to clients which hold/held the investment at issue. Numeric will not be responsible for reimbursing any clients or investors who may have been invested during the period that is the subject of any litigation but had redeemed or withdrawn such investment prior to such a recovery. Numeric may consider a de minimus amount with regards to distributing any proceeds received.

## **ITEM 18: FINANCIAL INFORMATION**

Registered investment advisers are required in this Item to provide you with certain financial information or disclosures about Numeric's financial condition. Numeric has no financial commitment that impairs its ability to meet contractual and fiduciary commitments to clients, and has not been the subject of a bankruptcy proceeding.