

**ITEM 1 - COVER PAGE**

**FORM ADV PART 2A BROCHURE**



**Ultra Blue Capital, LLC**

**CRD Number: 316247**

1735 Technology Drive, Suite 650  
San Jose, California 95110  
(408) 623-8529

March 25, 2022

This Brochure provides information about the qualifications and business practices of Ultra Blue Capital, LLC (“UBC,” “we,” “us,” or “our”). If you have any questions about the contents of this Brochure, please contact us at (408) 623-8529. 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.

This document does not constitute an offer to sell or a solicitation to buy interests in any private investment fund. The information contained in this document is qualified in its entirety by reference to disclosures made in the relevant confidential private placement memorandum and related attachments and exhibits for each private investment fund advised by Ultra Blue Capital, LLC and its affiliates. These documents should be carefully reviewed prior to making an investment decision.

UBC is registered as an investment adviser with the SEC. Registration with the SEC does not imply a certain level of skill or training. Additional information about UBC is also available on the SEC’s website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

## **Item 2 – Material Changes**

This Item of the Brochure will discuss only specific changes that are made to the Brochure and provide clients with a summary of such changes. This is the first change to our brochure since the initial registration of UBC with the U.S. Securities and Exchange Commission on 11/10/2021.

This annual amendment filing to our Brochure, dated March 25, 2022, contains material revisions to the following items:

- Item 4 – advisory services
- Item 5 – fees and compensation
- Item 8 – methods of analysis, investment strategies and risks
- Item 10 – other industry activities and affiliations
- Item 12 – brokerage practices

Currently, the Brochure may be requested by contacting UBC at (408) 623-8529. Additional information about Ultra Blue Capital, LLC is also available via the SEC's web site [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov)

### **Item 3 – Table of Contents**

	<b>Page</b>
Item 2 – Material Changes.....	1
Item 3 – Table of Contents.....	2
Item 4 – Advisory Business .....	3
Item 5 – Fees and Compensation.....	6
Item 6 – Performance Based Fees and Side-By Side Management.....	8
Item 7 – Types of Clients.....	10
Item 8 – Methods of Analysis, Investment Strategies and Risk of Loss .....	11
Item 9 – Disciplinary Information .....	22
Item 10 – Other Financial Industry Activities and Affiliations .....	23
Item 11 – Code of Ethics, Participation or Interest in Client Transactions and Personal Trading .....	24
Item 12 – Brokerage Practices .....	26
Item 13 – Review of Accounts.....	31
Item 14 – Client Referrals and Other Compensation.....	32
Item 15 – Custody .....	33
Item 16 – Investment Discretion.....	34
Item 17 – Voting Client Securities.....	35
Item 18 – Financial Information .....	36

## **Item 4 – Advisory Business**

### **General Description of Advisory Firm**

Ultra Blue Capital, LLC (“UBC”) is a Delaware limited liability company formed on February 6, 2017. UBC is a privately held company with its principal place of business in San Jose, California. Pouya Taaghool is the founder, Portfolio Manager and Chief Executive Officer of UBC. UBC is wholly-owned by Big Data Federation, Inc., a Delaware corporation (“BDF”).

UBC provides discretionary investment management services to two (2) privately offered pooled investment vehicles, exempt from registration as an “investment company” pursuant to Section 3(c)-1 of the Investment Company Act of 1940 (the “Company Act”) (each, a “Private Fund”, and collectively, the “Private Funds”) and one (1) exchange traded fund registered as an “investment company” under the Company Act (the “ETF”) (collectively, the Private Funds and the ETF are referred to as the “Funds” or the “Clients”). Each Fund is managed in accordance with their respective investment objectives, guidelines and limitations.

### **Private Funds**

UBC provides discretionary investment advisory services to two open-end private investment funds formed as limited partnerships in the state of Delaware. Item 10 provides additional information about the Private Funds.

The investment objective, strategies, and any applicable investment restrictions will generally be described in the Private Fund offering documents, organizational documents, subscription documents and/or investment management agreements (collectively, the “Private Fund Governing Documents”) and may be changed in accordance with the Private Fund Governing Documents and as permitted by law. Item 8 provides additional information on Private Fund investment objectives and associated risks.

The Private Funds are offered to investors who are qualified clients and accredited investors, including high net worth individuals, banks, thrift institutions, trusts, estates, charitable organizations, pension funds, sovereign wealth funds, endowments and other corporations. UBC provides investment advice directly to the Private Funds and does not tailor its advice to individual investors in the Private Funds.

### **ETF**

UBC provides discretionary investment advisory services to the UBC Algorithmic Fundamentals ETF (ticker UBCB), an ETF formed under the laws of Delaware and registered under the Company Act. Item 10 provides additional information about the ETF.

The investment objective, strategies, and any applicable investment restrictions will generally be described in the ETF’s Prospectus, Statement of Additional Information (“SAI”), organizational documents and/or investment management agreements (collectively, the “ETF Governing Documents”) and may be changed in accordance with the Governing Documents and as permitted by law. Item 8 provides additional information on the ETF’s investment objectives.

The ETF is offered to investors pursuant to the Prospectus for the ETF. Prior to making any investment in the ETF, investors should carefully review the ETF Governing Documents for comprehensive understanding of the terms, conditions and risks applicable to an investment in the ETF. UBC provides investment advice directly to the ETF and does not tailor its advice to individual investors in the ETF.

#### Other Clients

UBC anticipates advising other clients similar to those set forth above from time to time and may utilize investment strategies that are similar to, or different from, those of our current Clients. The Clients we advise are diverse and may invest in overlapping or differing positions as other Clients and will likely be subject to differing terms, including management fees, performance fees or incentive allocations, withdrawal rights and liquidity, reporting and disclosure requirements and other terms. As a result, we may be subject to certain conflicts of interests in managing such different Clients as further described in this brochure. We operate under basic policies and principles applicable to the conduct of our investment advisory business that are designed to mitigate such conflicts of interest and ensure our compliance with applicable laws. These policies and principles are based upon general concepts of fiduciary duty and the specific requirements of the Investment Advisers Act of 1940 (the “Advisers Act”), the rules and regulations promulgated thereunder, and other applicable laws and regulations.

#### **Description of Advisory Services**

UBC makes investment decisions based on proprietary near-term and long-range fundamental predictions across businesses, industries, and global economies leveraging home-grown machine-learning algorithms and high frequency alternative and market data. The machine-learning algorithms process large amounts of data to seek to uncover patterns and assign probabilistic values to events and metrics, in particular those that drive a company’s fundamental financial performance. Predictions and resultant investment decisions are based on detailed fundamental analysis performed by supervised machine-learning algorithms.

BDF will provide the proprietary machine-learning algorithms and predictions used by UBC to implement its investment strategies for its Clients, and will do so at no cost as long as BDF remains sole owner of UBC. UBC will utilize an investment approach that is based on BDF’s experience designing and implementing the proprietary machine-learning algorithms upon which UBC and its investment team intends to implement in its day-to-day trading activity on behalf of its Clients.

#### **Availability of Customized Services for Individual Clients**

UBC tailors its advisory services as described in the investment program of the relevant Client’s private placement memorandum, Prospectus or as set forth in such the Private Fund Governing Documents or the ETF Governing Documents.

Persons reviewing this Form ADV Part 2A should not construe this as an offering of any of the Private Funds or the ETF described herein, which will only be made pursuant to the delivery of a private placement memorandum, Prospectus, SAI, subscription agreement and/or similar documentation to prospective investors.

**Wrap Fee Programs**

UBC does not participate in wrap fee programs.

**Assets Under Management**

As of January 31, 2021, UBC had regulatory assets under management on a discretionary basis in the amount of \$46,312,604. UBC does not manage any client assets on a non-discretionary basis.

## **Item 5 – Fees and Compensation**

### **Advisory Fees, Payment of Fees**

#### **Private Funds.**

The fees and other compensation for advisory services to the Private Funds are set forth in the Private Fund's applicable Private Fund Governing Documents. Generally, each Private Fund pays UBC a fee equal to a percentage (typically, 1-2 percent per annum) of the capital account balances of each Private Fund investor as of the first day of each calendar quarter (the "Management Fee"). The Management Fees are payable in advance for each calendar quarter.

In addition to the Management Fee, UBC (or an affiliate of UBC which serves as the general partner of the Private Funds) is entitled to a quarterly performance-based fee, generally equal to 20% of net profits allocated to the each investor, subject to an applicable "high water mark" (the "Incentive Fee"). The Incentive Fee is determined with respect to each calendar quarter as of the close of business on the last business day of the respective quarter.

The Private Fund Governing Documents permit UBC (or the general partner of the Private Funds) to reduce, waive, assign, participate or otherwise share the Management Fee or Incentive Fee payable with respect to any investor.

Please refer to the individual Private Fund Governing Documents, including each Private Fund's Private Placement Memorandum, for additional detail regarding the calculation of the Management Fee and Incentive Fee. (Item 6 provides further information regarding Incentive Fees, including conflicts of interest).

#### **ETF.**

The management fee for advisory services to the ETF are set forth in the ETF's Governing Documents, including the ETF's Prospectus and Statement of Additional Information. The ETF will pay UBC a management fee at an annual rate stated in the table below, based on the daily average net asset value of the portfolio. The ETF investors will also be subject to additional fees and expenses which are more fully explained in the ETF's Prospectus.

UBC Algorithmic Fundamentals ETF	Ticker: UBCB	Management fee: 0.75
----------------------------------	--------------	----------------------

Please refer to the ETF's Prospectus for more information regarding fees and expenses. (Item 6 provides further information regarding fees paid to UBC, including conflicts of interest).

### **Private Fund Additional Fees and Expenses**

In addition to the Management Fee and Incentive Fees, the Private Funds generally will bear all of their organizational expenses and will reimburse UBC, the general partners and/or BDF, as applicable, to the extent that any of them bears organizational or offering expenses on behalf of the Private Funds. In general, the Private Funds will bear all of its operating expenses, which include, without limitation all fees, costs and expenses associated (directly or indirectly) with: (i)

negotiation, financing, sourcing, acquiring investments or proposed investments; (ii) other transaction costs, brokerage fees, commissions, consulting, advisory, due diligence, investment banking, legal, financial, auditing, accounting, research, third-party consulting and other professional fees and expenses related to investments and proposed investments, as well as all fees, expenses, interest payments and principal payments due to any lenders, investment banks and/or other financing sources in connection with the financing, sourcing, acquiring, holding, monitoring, hedging, maintaining and disposing of investments or proposed investments all transaction and other costs associated therewith including the costs and expenses of leverage and borrowings of the Private Fund, such as interest charges and fees; (iii) custodial fees, clearing and settlement charges and similar fees and expenses associated with the acquisition, disposition and settling of investments and potential investments; (iv) appraisal fees and expenses; (v) all entity-level taxes, fees and other governmental charges; (vi) the costs of any expenses incurred in the collection of monies owed to the Private Funds; (vii) Management Fees; (viii) expenses related to mixed-use hardware, software and other technology and services; (ix) legal, regulatory, compliance, auditing, and administration of the Private Funds; (x) auditing and accounting expenses of the Private Funds, including, without limitation, expenses associated with the preparation of financial statements, tax returns and Schedules K-1 and the fees and expenses of the auditor; (xi) any extraordinary expenses (including, without limitation, all litigation-related and indemnification and contribution expenses, including, without limitation, the amount of any judgment or settlement paid in connection therewith); (xii) the costs of any reporting to investors in the Private Funds; (xiii) reasonable expenses incurred in connection with any meetings of Private Fund investors; (xiv) expenses incurred in connection with the dissolution, liquidation and termination of a Private Fund; and (xv) expenses incurred in connection with the preparation of amendments to the agreements of a Private Fund.

Current and prospective investors in the Private Funds should refer to the private placement memorandum or other offering documents of the respective Private Fund for detailed information with respect to the fees and expenses they may pay in connection with an investment in such Private Fund. The information contained herein is a summary only and is qualified in its entirety by such documents.

### **ETF Additional Fees and Expenses**

In addition to the management fee, The ETF investors will also be subject to additional fees and expenses which are more fully explained in the ETF's Prospectus. Please refer to the ETF Prospectus and SAI for complete information.

### **Additional Compensation**

Neither UBC nor any of its supervised persons accept compensation for the sale of securities or other investment products. UBC has no agreements, oral or in writing, where it is paid cash by or receives some economic benefit (including commissions, equipment or non-research services) from a non-client in connection with giving advice to clients.



## **Item 6 – Performance Based Fees and Side-By Side Management**

### **Performance-Based Fees**

While specific terms may vary by each Private Fund, as a general matter UBC, or an affiliated general partner, receives a management fee and performance-based fees from the Private Funds for its advisory services. For a more detailed discussion of our performance or incentive fees, please see Item 5, “Fees and Compensation,” above. UBC does not charge any Clients another type of fee, such as an hourly or flat fee.

Performance-based fee arrangements create an incentive for UBC to recommend investments that may be riskier or more speculative than those that we may recommended under a different fee arrangement. In the allocation of investment opportunities, performance-based fee arrangements may also create (i) an incentive for us to favor Clients with performance or incentive fee arrangements over Clients that are not charged, or from which we will not receive, a performance fee; and (ii) an incentive for us to favor Clients from which we will receive a greater performance fee over Clients from which we will receive a lesser performance fee. This conflict of interest is known as “side-by-side” management.

### **Allocation of Investment Opportunities and Conflicts of Interest**

UBC and its affiliates manage and provide advisory services to its Clients and expect to provide such services to additional clients in the future. A number of conflicts of interest may arise in connection with the management of the Clients and other clients and UBC and its affiliates undertake to provide their services in a manner that is consistent with their fiduciary duties to the Clients. To manage conflicts of interest, including conflicts of interests arising from the side-by-side management of Client accounts, UBC performs periodic reviews of each Client’s investment strategy versus actual holdings, as well as performance dispersion across Client accounts managed according to the same investment strategy. In addition, Client accounts are periodically monitored for consistency with stated objectives and strategy.

UBC has adopted policies and procedures regarding the allocation of investment opportunities between its Clients. UBC may allocate investment opportunities among Clients in any manner that it reasonably determines to be necessary, desirable, or appropriate, in accordance with its allocation policy. If an investment is appropriate for one or more Clients, the investment generally will be allocated among the Clients in a manner that is fair and equitable, which generally is expected to be *pro rata* based upon the respective net asset values of such Clients, subject to the target percentage holdings of that type of investment for each such Client. However, UBC, in its sole and absolute discretion, may make non-*pro rata* allocations among Clients based upon a variety of factors including, among other things, investment program and investment objectives, investment capacity, amount of deployed and undeployed capital, fixed investment periods (if any), available leverage, desired leverage or available cash, tax, legal, and regulatory considerations, overall portfolio composition, tolerance for volatility and risk, desired concentration, exposure and diversification targets, liquidity needs, different terms governing the Clients, risk profile, investment guidelines and restrictions (including limitations with respect to leverage for such Clients, when a *pro rata* allocation would result in a *de minimis* allocation to one

or more Clients, and/or such other factors that UBC determines are consistent with fair and equitable treatment of all Clients over time.

To the extent any Client does not have sufficient capital available to fund its *pro rata* allocation of any particular investment (whether as a result of such Client's existing investments, reserves for anticipated future cash needs, or otherwise), such Client will participate in such investment only to the extent of its capital available to do so, and any excess amount that otherwise would have been allocated to such Client for such investment will instead be allocated to other Clients, as applicable. As a result, performance results among the Clients likely will differ.

Similarly, although investments held by multiple Clients are expected generally to be disposed by the Clients on an equal basis, UBC may, in its sole and absolute discretion, sell investments from various Clients on a non-equal basis, based on a variety of factors, including those described above regarding allocations of investment opportunities. Accordingly, it is possible that one Client may sell an investment, while another Client retains, or invests more capital in, the same investment.

## **Item 7 – Types of Clients**

### **Private Funds**

UBC currently manages and provides investment advisory services to Private Funds for which its related persons act as general partner or sponsor. Underlying investors in Private Funds typically include *high net worth individuals, banks, thrift institutions, trusts, estates, charitable organizations, pension funds, sovereign wealth funds, endowments and other corporations*. Generally, each underlying investor in a Private Fund must be an “accredited investor” as defined under Rule 501(a) of Regulation D promulgated under the Securities Act of 1933, as amended (the “Securities Act”) and a “qualified client” as defined under the Advisers Act. Investors in the Private Funds must meet certain suitability and other requirements, as set forth in the Private Fund’s Governing Documents.

The minimum initial investment by investors into the Private Funds, as set forth in the applicable Governing Documents ranges between \$250,000 to \$1,000,000. UBC or the general partners to the Private Funds may, however, in their sole and absolute discretion, waive or change the minimum investment amount.

### **Private Fund Side Letter Agreements**

UBC and/or the general partners to the Private Funds have, and from time to time will, enter into side letters or similar separate agreements with one or more Private Fund investors that may alter the terms and conditions set forth in the Private Fund’s Governing Documents. Such alteration of terms and conditions include, without limitation, with respect to the Management Fees, Incentive Fees, transfers to affiliates and other parties, expenses, notices and reporting, and disclosure. The modifications may, among other things, be based on the size of the Private Fund investor’s investment in the Private Fund or affiliated investment entity, an agreement by a Private Fund investor to maintain such investment in the Private Fund for a significant period of time, or other similar commitment by a Private Fund investor to the Private Fund. As a general matter, UBC owes certain fiduciary duties to its Clients, which require that UBC act in good faith and in what UBC considers to be in the best interests of the Private Funds. In doing so, UBC also will endeavor to act in a manner that ensures the fair treatment of Private Fund investors.

### **ETF**

UBC provides investment management services to **UBC Algorithmic Fundamentals ETF (UBCB) (the “ETF”)**. Shares of the ETF are listed for trading on the New York Stock Exchange (NYSE) (the “*Exchange*”). Shares may only be purchased and sold on the secondary market when the Exchange is open for trading.

When investors buy or sell shares through a broker, investors will incur customary brokerage commissions and charges, and may pay some or all of the spread between the bid and the offered price in the secondary market on each leg of a round trip (purchase and sale) transaction.

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

### **Methods of Analysis and Investment Strategies**

While our methods of analysis and investment strategies vary to some extent for each Client, in general, we seek attractive, uncorrelated risk-adjusted returns by investing in a portfolio of publicly listed securities, taking both long and short positions.

The investment and trading strategies for each Client is based on proprietary machine-learning algorithms that process large amounts of data to uncover patterns and assign probabilistic values to events and metrics, in particular those that drive a company's fundamental financial performance. Predictions and resultant investment decisions are based on detailed fundamental analysis performed by the supervised machine-learning algorithms. Using these patterns and other key metrics, our machines actively and automatically invest, divest, rebalance, and hedge. The developed algorithms will dynamically allocate assets to a set of proprietary and comprehensively back-tested market-correlated and market-uncorrelated strategies. Leveraging the scalability and speed of machines enables the diversification of analysis across many sectors such as technology (e.g., cloud, social, semiconductor, telecommunications, infrastructure, industrial, retail, security, consumer electronics, industrial, travel, pharmaceutical, healthcare, defense, retail, recreational, automotive, financial and banking).

UBC, in its sole and absolute discretion, may make short- and long-term bullish and bearish investments and make long investments, and short securities to protect capital and profit from price declines. The primary focus will be on publicly traded securities such as equities, fixed income assets, derivatives, futures, commodities and currencies in the United States and other geographies.

Overall, our investment approach, which may differ between Clients, generally draws on a number of underlying principles, including, but not limited to:

- making investment decisions based on detailed fundamental analysis performed by the aforementioned proprietary machine-learning algorithms;
- making investment decisions based on proprietary near-term and long-range fundamental predictions across businesses, industries, and global economies leveraging home-grown machine-learning algorithms and high frequency alternative and market data;
- basing our systematic investment process on rigorous back-testing of proprietary and evolving data-driven Artificial Intelligence (“AI”) and data-driven strategies;
- utilizing portfolio optimization techniques to determine trading activity, taking into account anticipated transaction costs associated with trading a particular security;
- implementing an intensive and systematic investment process based on experience, creativity, judgment, flexibility, patience, rigorous back-testing of proprietary strategies and financial resources.

Investors in Private Funds should refer to the Confidential Private Placement Memorandum and/or the Private Fund Governing Documents of the applicable Private Fund for complete information on that Private Fund's investment strategies, methods of analysis and risks associated with investment in the Private Fund.

Investors in the ETF should refer to the Prospectus and SAI for the ETF and/or the ETF Governing Documents for complete information on the ETF's investment strategies, methods of analysis and risks associated with investment in the ETF.

Investing in securities involves risk of loss that Clients and/or investors should be prepared to bear. As with any investment, there can be no assurance that the investment objective will be achieved or that a Client or Private Fund investor will not lose a portion or all of its investment.

### **Risks Relating to Investment Strategies**

Investing in UBC's Clients involves substantial risks, including, but not limited to, those described below. There can be no assurance that a Client's investment objective will be achieved or that there will be any return of capital, and investment results may vary substantially on a monthly, quarterly or annual basis. Investment in UBC's Clients is a potentially suitable investment only for sophisticated investors for whom an investment does not represent a complete investment program and who, in consultation with their own investment and tax advisors, fully understand and are capable of assuming the risks of an investment in the Interests.

*General Investment and Trading Risks.* All securities investments present a risk of loss of capital. Volatile financial markets increase that risk. If UBC's evaluation of an investment opportunity should prove incorrect, certain Clients could experience losses as a result of a decline in the market value of securities in which a Client holds a long position or an increase in the value of securities in which a Client holds a short position. The risk management techniques used by UBC do not provide any assurance that its Clients will not be exposed to a risk of significant investment losses.

*Investment Judgment.* The profitability of a significant portion of the investment program of a Client will depend to a great extent upon correctly assessing the future course of the price movements of securities and other investments. There can be no assurance that UBC will be able to predict accurately these price movements.

*Quantitative Security Selection Model Risk.* UBC's investment selections for Clients are typically generated by proprietary machine-learning algorithms that process billions of data points daily. UBC has developed its proprietary machine-learning models to predict the future performance of securities and these models were developed through extensive back-testing of proprietary and evolving data from company financial or management filings, trade data across various markets, and price movements. All models rely on correct data inputs. If incorrect data is entered into even a well-founded model, the resulting information will be incorrect. Some of the models used by UBC for Clients are predictive in nature. The use of predictive models has inherent risks because predictive models are usually constructed based on historical data supplied by third parties, the success of relying on such models may depend on the accuracy and reliability of the supplied historical data. Clients bears the risk that the models used by UBC will not be successful in selecting companies for investment or in determining the weighting of investment positions that will enable Clients to achieve its investment objective. UBC, in its sole discretion, will continue to test, evaluate and add new models, which may result in the modification of existing models from time to time. There can be no assurance that model modifications will enable Clients to achieve its investment objective. While UBC will rely heavily on its proprietary models for making

investment decisions, it does have the ability to exercise discretion and override the models when deemed appropriate.

*General Economic Conditions.* Market risk is a factor in any investment, and a higher level of volatility in the financial markets has increased risk generally. The most difficult type of market environment for a Client's strategy is expected to be a speculative environment, in which hype, promotional management teams and/or investor euphoria drive stock price movements instead of company fundamentals. This type of environment is of particular concern during short-covering driven rallies and/or for low-dollar short positions. The success of any investment activity will be affected by general economic conditions, which may affect the level and volatility of interest rates and the extent and timing of investor participation in the markets for both equities and interest-sensitive securities. Unexpected volatility or illiquidity in the markets in which a Client holds positions, directly or indirectly, could impair the Client's ability to carry on its business or cause it to incur losses.

*Price and Liquidity Fluctuations of Investments.* It is expected that investments made by UBC's Clients will generally be in public securities. However, the market value of an investment may fluctuate with, among other things, changes in prevailing interest rates, general economic conditions, the condition of financial markets, developments or trends in the securities markets and the financial condition of the issuers of the securities in which the Client invests. During periods of limited liquidity and higher price volatility, the ability of a Client to acquire or dispose of its investments at a price and time that the Client deems advantageous may be impaired. As a result, in periods of rising market prices, a Client may be unable to participate in price increases fully to the extent that it is unable to acquire the desired positions quickly; the inability to dispose fully and promptly of positions in declining markets will conversely cause its net asset value to decline as the value of unsold positions is marked to lower prices.

*Diversification Risk.* Certain Clients may hold a limited number of positions (both long and short) at any given time. As a result of the lack of diversification, a significant loss in any one position may have a material adverse effect on the net asset value of the Client and its rate of return. Diversification of Client assets among different industries may not be the primary goal of such Client. Therefore, any fluctuation in the overall value of securities in certain industries such as technology, industrial, travel, pharmaceutical, or healthcare likely will have a material adverse effect on the performance of such Client.

*Available Information.* UBC will select investments, in part, on the basis of information and data filed by the issuers of securities with various government regulators or made directly available to UBC by such issuers, or through sources other than the issuers. Although UBC evaluates all such information and data and seeks independent corroboration when UBC considers it appropriate and when it is reasonably available, UBC is not in a position to confirm the completeness, genuineness or accuracy of such information and data, and in some cases complete and accurate information is not readily available.

*Risk of Operations / Liquidity Risks.* Although the securities that Clients may acquire will generally be traded on public exchanges, each exchange typically has the right to suspend or limit trading in all securities that it lists. Such a suspension could render it difficult or impossible for a Client to liquidate its positions and would thereby expose it to losses. In addition, some of the

securities in which certain Clients may invest may be thinly traded, potentially making it difficult for the Client to dispose of a position at the time or price desired. Moreover, in periods of extreme market volatility, the bid/ask spreads for some securities that ordinarily are liquid may widen, making it difficult or undesirable to sell the securities.

*Hedging.* Certain Clients intend to engage in a variety of hedging transactions. Hedges can be more difficult to implement than many other types of transactions, and the possibilities for errors may be greater than for other transactions.

*Dependence on Occurrence of Events.* The ability to realize a profit on certain investments may be dependent upon the occurrence of certain events, for example, the release of earnings by a company at a specific time and date. If the event that UBC is expecting to occur does not occur, Clients may sustain a significant loss.

*Institutional Risks; Counterparty Risk.* Institutions will have custody of the assets of UBC's Clients. Certain assets will be exposed to the credit risk of the dealers, brokers and exchanges through which UBC deals and whether UBC engages in exchange-traded transactions. These firms and/or financial institutions, regardless of how large or well-capitalized, may encounter financial difficulties that impair the operating capabilities or the capital position of UBC's Clients. If any broker-dealer or other financial institution holding Client assets were to become bankrupt or insolvent, it is possible that the Client would be able to recover only a portion, or in certain circumstances, none of its assets held by such bankrupt or insolvent entity.

*Competition.* The securities industry is extremely competitive. UBC will compete for investment opportunities against various other investors, including many of the larger securities and investment banking firms, which have substantially greater financial resources and research staffs. Competitive investment activity by other firms may reduce a Client's opportunity for profit by reducing the availability of or increasing the price of what the Client believes to be, based on its investment criteria, exceptional investment opportunities.

*Changes in Investment Strategy.* UBC has considerable discretion in choosing the securities that may be acquired and has the right to modify the investment strategy, selection criteria, or hedging techniques used by a Client without the consent of investors. BDF provides the machine-learning algorithms and predictions on which UBC relies in implementing its investment strategy. In the event BDF no longer provided such services to UBC's Clients, the loss of BDF's services to its Clients would have an adverse effect on UBC's investment strategy. Certain Clients may choose new investment techniques that may not be thoroughly tested in the market before being employed and may have operational or theoretical shortcomings, which could result in unsuccessful investments and, ultimately, losses to the Client. In addition, any new investment strategy or hedging technique developed may be more speculative than earlier techniques and may increase the risk of an investment in the Client.

*Leverage.* Certain Clients may employ leverage in connection with its investment strategies and/or for any other purpose deemed necessary, desirable or appropriate at such times, in such amounts and subject to such terms and conditions as UBC or its related persons may determine in its sole and absolute discretion. Such leverage may take a variety of forms, including, but not limited to, margin borrowing from securities brokers and dealers, loans, repurchase agreements, derivative

instruments that are inherently leveraged, and other financing arrangements. The use of leverage increases both the possibility for gain and the risk of loss. Leverage employed by a Client may be secured by the securities holdings and other assets of the Client. Under certain circumstances, a lender may demand an increase in the collateral that secures such obligations, and if the Client is unable to provide additional collateral, the lender could liquidate assets held in the account to satisfy such obligations. Liquidation in that manner could have extremely adverse consequences. In addition, the amount of a Client's borrowing and the interest rates on that borrowing, both of which will fluctuate, may have an effect on a Client's profitability. Additionally, leverage typically will cause a Client's net asset value to increase or decrease at a greater rate than if leverage were not used.

*Securities Lending.* Certain Clients may lend securities to securities brokers and other institutions as a means of earning additional income. If the other party to such transaction becomes insolvent or bankrupt, the Client could experience delays and extra costs in recovering payment or the securities. To the extent that, in the meantime, the value of securities changes, the Client could experience further losses. Security loans must be fully collateralized, and UBC must be satisfied with the creditworthiness of the other party to the transaction.

*Interest Rates.* UBC or its related persons may borrow funds from brokerage firms and banks on behalf of certain Clients to be able to increase the amount of capital available for marketable securities investments. The rates at which a Client can borrow, in particular, will affect the operating results of the Client. Even if a profit is made on a trade, the interest expense incurred in carrying the position may exceed the profit generated by the trade.

*Margin.* UBC or its related persons may make use of short-term borrowing or repurchase agreements on behalf of certain Clients, and any such use will result in certain additional risks to the Client. For example, should the securities pledged or charged to brokers to secure the margin accounts or repurchase obligation decline in value, the Client could be subject to a "margin call," pursuant to which the Client must either deposit additional funds with the broker or suffer mandatory liquidation of the pledged or charged securities to compensate for the decline in value. In the event of a sudden drop in the value of the Client's assets, the Client might not be able to liquidate assets quickly enough to pay off its margin debt.

*Reliance on BDF and Proprietary Machine-Learning Algorithms.* The proprietary machine-learning algorithms are provided to UBC by BDF, and will be used to guide trading decisions made by UBC on behalf of its Clients. These algorithms are fundamental to UBC's ability to provide investment advisory services to its Clients and the quality of investment advice provided by UBC is highly dependent upon the technology and algorithms provided by BDF. The loss of such machine-learning algorithms could adversely affect UBC's ability to trade effectively and implement the investment strategies and objectives of its Clients.

*Cyber Security Risk.* Failures or breaches of the electronic systems of the UBC, the Private Funds, the ETF, other service providers, market makers, Authorized Participants or the issuers of securities in which Clients invests can cause disruptions and negatively impact business operations, potentially resulting in financial losses to a fund or its investors. While UBC has established business continuity plans and risk management systems seeking to address system breaches or failures, there are inherent limitations in such plans and systems. Furthermore, UBC



cannot control the cyber security plans and systems of service providers, market makers, or issuers of securities in which a fund invest.

*Novel Coronavirus Pandemic, Public Health Emergency and Global Economic Impacts.* As of the date of this Brochure, there is an ongoing outbreak of a novel and highly contagious form of coronavirus (“COVID-19”), which the World Health Organization declared a pandemic on March 11, 2020. The outbreak of COVID-19 has caused a worldwide public health emergency with a substantial number of hospitalizations and deaths and has significantly adversely impacted global commercial activity and contributed to both volatility and material declines in equity and debt markets. The global impact of the outbreak is rapidly evolving, and many country, state and local governments have reacted by instituting mandatory or voluntary quarantines, travel prohibitions and restrictions, closure or reduction of offices, businesses, schools, retail stores and other public venues and/or cancellation, suspension or postponement of certain events and activities, including certain non-essential government and regulatory activity. Businesses are also implementing their own precautionary measures, such as voluntary closures, temporary or permanent reductions in work force, remote working arrangements and emergency contingency plans. Such measures, as well as the general uncertainty surrounding the dangers, duration and impact of COVID-19, are creating significant disruption in supply chains and economic activity, impacting consumer confidence and contributing to significant market losses, including having particularly adverse impacts on transportation, hospitality, tourism, sports, entertainment and other industries dependent upon physical presence. As COVID-19 continues to spread, potential additional adverse impacts, including a global, regional or other economic recession of indeterminate duration, are increasingly likely and difficult to assess.

The extent of the impact of COVID-19 on UBC’s Clients and its operational and financial performance will depend on many factors, including the duration and scope of the resulting public health emergency, the extent of any related restrictions implemented, the impact of such public health emergency on overall supply and demand, goods and services, investor liquidity, consumer confidence and levels of economic activity, and the extent of its disruption to important global, regional and local supply chains and economic markets, all of which are highly uncertain and cannot be predicted. The effects of the COVID-19 pandemic may materially and adversely impact the value, performance and liquidity of a Client, leverage availability and terms, UBC’s ability to source, manage and divest investments and UBC’s ability to achieve its investment objectives, all of which could result in significant losses to UBC’s Clients and its investors.

COVID-19 may also adversely impact the financial condition of one or more investors in a Client, which could result in withdrawal requests by such investor as a result of their individual liquidity situations and irrespective of a Client’s performance. Such investor withdrawal requests could also adversely affect UBC’s Clients.

In addition, COVID-19 and the resulting changes to global businesses and economies likely will adversely impact the business and operations of UBC’s Clients and its investments and UBC and its affiliates. Certain businesses and activities may be temporarily or permanently halted as a result of government or other quarantine measures, voluntary and precautionary restrictions on travel or meetings and other factors, including the potential adverse impact of COVID-19 on the health of key personnel.

*Other Catastrophic Risks.* In addition to the potential risks associated with COVID-19 as outlined above, UBC's Clients may be subject to the risk of loss arising from direct or indirect exposure to a number of types of other catastrophic events, including without limitation (i) other public health crises, including any outbreak of SARS, H1N1/09 influenza, avian influenza, other coronavirus, Ebola or other existing or new epidemic diseases, or the threat thereof; or (ii) other major events or disruptions, such as hurricanes, earthquakes, tornadoes, fires, flooding and other natural disasters; acts of war or terrorism, including cyberterrorism; or major or prolonged power outages or network interruptions. The extent of the impact of any such catastrophe or other emergency on UBC's Clients and its operational and financial performance will depend on many factors, including the duration and scope of such emergency, the extent of any related travel advisories and restrictions, the impact on overall supply and demand, goods and services, investor liquidity, consumer confidence and levels of economic activity, and the extent of its disruption to important global, regional and local supply chains and economic markets, all of which are highly uncertain and cannot be predicted. In particular, to the extent that any such event occurs and has a material effect on global financial markets or specific markets in which certain Clients participate (or has a material effect on any Client investment or locations in which such company or UBC operates or on any of their respective personnel) the risks of loss could be substantial and could have a material adverse effect on UBC's Clients or the ability of UBC to fulfill its investment objectives.

*Short Sales.* A Client may engage in short sales of securities. Short sales are transactions in which a Client sells a security it does not own, in anticipation of a decline in the market value of that security. To complete such a transaction, a Client must borrow the security to make delivery to the buyer. A Client then is obligated to replace the security borrowed by purchasing it at the market price at or prior to the time of replacement. The price at such time may be more or less than the price at which the security was sold by a Client. Until the security is replaced, a Client is required to repay the lender any dividends or interest that accrue during the period of the loan. To borrow the security, a Client may be required to pay a premium, which would increase the cost of the security sold. Transaction costs will also be incurred in effecting short sales.

A Client will incur a loss as a result of the short sale if the price of the security increases between the date of the short sale and the date on which a Client replaces the borrowed security. A gain will be realized if the security declines in price between those dates. The amount of any gain will be decreased, and the amount of any loss increased, by the amount of the premium, dividends, interest or expenses a Client may be required to pay in connection with a short sale. An increase in the value of a security sold short by a Client over the price at which it was sold short will result in a loss to a Client, and there can be no assurance that a Client will be able to close out the position at any particular time or at an acceptable price. Except in the case of short sales "against the box" (as to which a Client owns or has a contractual right to acquire at a fixed price the securities sold short), a Client's market risk is unlimited in that the increase in the market price of the security sold short is unlimited.

*Trading in Commodity Interests is Volatile.* Commodity interest prices and other contract prices are highly volatile. Price movements of commodity interests are influenced by, among other things, changing supply and demand relationships, governmental, trade programs and policies, weather and national and international political and economic events. None of these factors can be controlled by UBC or its affiliates.

*Commodity Trading May Be Illiquid.* Certain commodity exchanges limit fluctuations in commodity futures contract prices during a single day by regulations referred to as “daily price fluctuation limits” or “daily limits.” During a single trading day no trades may be executed at prices beyond the daily limit. Once the price of a futures contract for a particular commodity has increased or decreased by an amount equal to the daily limit, positions in the commodity cannot be taken or liquidated unless both a buyer and seller are willing to effect trades at or within the limit. Commodity futures process have moved the daily limit for several consecutive days with little or no trading. Similar occurrences, or regulatory intervention in the commodity markets, could prevent UBC or an affiliate from promptly liquidating unfavorable positions and adversely affecting trading and profitability.

*Hedging Transactions.* A Client may utilize financial instruments to hedge against fluctuations in the relative values of its portfolio positions as a result of certain changes in the equity markets. Hedging against a decline in the value of portfolio positions does not eliminate fluctuations in the values of portfolio positions or prevent losses if the values of such positions decline, but establishes other positions designed to gain from those same developments, thus moderating the decline in the portfolio positions’ value. Such hedging transactions also limit the opportunity for gain if the value of the portfolio positions should increase. Moreover, it may not be possible for a Client to hedge against a fluctuation at a price sufficient to protect a Client’s assets from the decline in value of the portfolio positions anticipated as a result of such fluctuations. In addition, it may not be possible to hedge against certain risks.

The success of a Client’s hedging transactions is dependent on UBC’s or an affiliate’s ability to correctly predict movements in the direction of the equity markets or sectors thereof. Therefore, while a Client may enter into such transactions to seek to reduce the risks of a decline in the equity markets generally or one or more sectors of the equity markets in particular, unanticipated increases or smaller than expected decreases in the equity markets or sectors being hedged may result in a poorer overall performance for a Client than if UBC or the affiliate had not engaged in any such hedging transaction. In addition, the degree of correlation between price movements of the instruments used in a hedging strategy and price movements in the portfolio position being hedged may vary. Moreover, for a variety of reasons, UBC or an affiliate may not seek to hedge certain portfolio holdings or establish a perfect correlation between such hedging instruments and the portfolio holdings being hedged. Such imperfect correlation may prevent a Client from achieving the intended hedge or expose a Client to additional risk of loss. The successful utilization of hedging and risk management transactions requires skills complementary to those needed in the selection of a Client’s portfolio holdings.

*Option Transactions.* A Client may purchase or sell various “put” and “call” options, warrants, and other derivative securities without limitation. The use of options involves a high degree of embedded leverage, which can involve greater market risk, especially when not used to hedge the underlying security. If a Client purchases a put option, a Client acquires the right to sell the underlying security at a specified price at any time during the term of the option or on the option expiration date. Purchasing put options may be used as a portfolio investment strategy when UBC or an affiliate perceives significant short-term risk of substantial capital depreciation potential for the underlying security and may be used as an alternative to selling a security short. Selling put

options may also be used as a method to purchase securities below current market prices or to collect the premium. If a Client purchases a call option, it acquires the right to purchase the underlying security at a specified price at any time during the term of the option. The purchase of a call option is a type of insurance policy to hedge against losses that could occur if a Client has a short position in the underlying security and the security thereafter increases in price. The selling of call options may also be used to initiate short positions at or above current market prices or to collect a premium. A Client generally will only invest in options for which UBC or its affiliates believe there is an active secondary market to facilitate closing transactions. The premium paid at the time an option is purchased will reduce any profit a Client might have realized had it purchased or sold the underlying security (or the contract on the underlying index, as applicable) instead of purchasing the put or call option.

*Warrants and Rights.* A Client may purchase warrants and rights. Warrants are derivative instruments that permit, but do not obligate, the holder to subscribe for other securities or commodities. Rights are similar to warrants, but normally have a shorter duration and are offered or distributed to shareholders of a company. Warrants and rights do not carry with them the right to dividends or voting rights with respect to the securities that they entitle the holder to purchase, and they do not represent any rights in the assets of the issuer. As a result, warrants and rights may be considered more speculative than certain other types of equity-like securities. In addition, the values of warrants and rights do not necessarily change with the values of the underlying securities or commodities and these instruments cease to have value if they are not exercised prior to their expiration dates.

### **Exchange Traded Fund Specific Risks**

*Non-Transparent Exchange-Traded Fund Structure Risk.* The ETF is an actively managed non-transparent ETF the shares of which are traded on NYSE Arca (the “Exchange”). Unlike most actively managed ETFs the ETF does not provide daily disclosure of its portfolio holding. Instead, the ETF provides a verified intraday indicative value (“VIIV”), calculated and disseminated every second throughout the trading day. The VIIV is intended to provide investors and other market participants with a highly correlated per share value of the underlying portfolio that can be compared to the current market price. There is, however, a risk that shares of the ETF may trade at a wider bid/ask spread than ETFs that publish their portfolios on a daily basis, especially during periods of market disruption or volatility, and therefore, may cost investors more to trade. Because the ETF trades on the basis of the VIIV, it may trade at a wider bid/ask spread than traditional ETFs that publish their portfolios on a daily basis. Accordingly, UBC or its designee will monitor on an on-going basis how shares of the ETF trade, including the level of any market price premium or discount to NAV and the bid/ask spreads on market transactions.

Should there be extended periods of unusually high bid/ask spreads, the Board will consider the continuing viability of the ETF, whether shareholders are being harmed, and what, if any, action would be appropriate to among other things, narrow the premium/discount or spread, as applicable. Potential actions may include, but are not limited to, changing lead market makers, listing the ETF on a different exchange, changing the size of Creations Units, changing the ETF’s investment objective or strategy, and liquidating the ETF. There is also a risk that the market price may vary significantly from the NAV and, thus, the underlying value of the ETF significantly from the underlying NAV of the ETF. There is also a risk that, despite not disclosing the portfolio holdings

each day, some market participants may seek to use publicly available information, including the VIIV, to identify the ETF's investment strategy and engage in certain predatory trading practices that may have the potential to harm the ETF.

*Early Close/Trading Halt Risk.* An exchange or market may close or issue trading halts on specific securities, or the ability to buy or sell certain securities or financial instruments may be restricted, which may result in the ETF being unable to buy or sell certain securities or financial instruments. In such circumstances, the ETF may be unable to rebalance its portfolio, may be unable to accurately price its investments and/or may incur substantial trading losses. In addition, due to the non-transparency of the portfolio a trading halt in a portfolio security could cause discrepancies between the VIIV and NAV of the ETF resulting in uncertainty on the part of the AP that results in wider, less liquid markets. Any security for which trading has been halted for an extended period of time will be disclosed on the ETF's website, [www.ultrabluecap.com](http://www.ultrabluecap.com).

*Costs of Buying or Selling Shares of the ETF.* Due to the costs of buying or selling shares of the ETF, including brokerage commissions imposed by brokers and bid/ask spreads, frequent trading of shares of the ETF may significantly reduce investment results and an investment in shares of the ETF may not be advisable for investors who anticipate regularly making small investments.

*Authorized Participant and AP Representative Concentration Risk.* The creation and redemption process for the ETF occurs through a confidential brokerage account ("Confidential Account") with an agent, called an AP Representative, on behalf of an Authorized Participant. Each day, the AP Representative will be given the names and quantities of the securities to be deposited, in the case of a creation, or redeemed, in the case of a redemption ("Creation Basket"), allowing the AP Representative to buy and sell positions in the portfolio securities to permit creations or redemptions on the Authorized Participant's behalf, without disclosing the information to the Authorized Participant. The ETF may have a limited number of institutions that act as Authorized Participants and AP Representatives, none of which are obligated to engage in creation or redemption transactions. To the extent that these institutions exit the business or are unable to proceed with creation and/or redemption orders with respect to the ETF and no other Authorized Participant is able to step forward to process creation and/or redemption orders, Fund shares may trade at a discount to NAV and possibly face trading halts and/or delisting. This risk may be more pronounced in volatile markets, potentially where there are significant redemptions in ETFs, generally. The fact that the ETF is offering a novel and unique structure may affect the number of entities willing to act as Authorized Participants and AP Representatives. During times of market stress, Authorized Participants may be more likely to step away from this type of ETF than a traditional ETF.

*Absence of an Active Market.* Although shares of the ETF are listed for trading on one or more stock exchanges, there can be no assurance that an active trading market for such shares will develop or be maintained by market makers or Authorized Participants. Authorized Participants are not obligated to execute purchase or redemption orders for Creation Units. Because this is a novel and unique structure, this could influence the number of entities willing to act as Authorized Participants. In periods of market volatility, market makers and/or Authorized Participants may be less willing to transact in Fund shares. The absence of an active market for the ETF's shares may contribute to the ETF's shares trading at a premium or discount to net asset value ("NAV"). If a shareholder purchases Fund shares at a time when the market price is at a premium to the NAV or

sells Fund shares at a time when the market price is at a discount to the NAV, the shareholder may sustain losses.

**Additional Risks.**

The foregoing list of risk factors does not purport to be a complete enumeration or explanation of the risks involved in an investment in a UBC Client. Prospective investors are recommended to review the applicable Governing Documents of each Client for a more complete discussion of the risk factors associated with an investment and consult with their own advisors before deciding whether to invest in a UBC Client. In addition, as a Client's investment program develops and changes over time, an investment in a Client may be subject to additional and different risk factors.

### **Item 9 – Disciplinary Information**

Neither UBC, nor any of its officers and employees, have been the subject of any legal or disciplinary events that are material to a client's or prospective client's evaluation of its advisory business or the integrity of its management.

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

***Futures Commission Merchant, Commodity Pool Operator, or Commodity Trading Adviser Registration.*** Neither UBC nor any of its management personnel (i) are registered as a futures commission merchant, commodity pool operator, commodity trading advisor or an associated person of the foregoing or (ii) have any application pending to register with respect to any of the foregoing. UBC relies on the exemption provided by CFTC Rule 4.13(a)(3) with respect to the operation of the Private Funds. In addition, UBC relies on an exemption from registration as a Commodity Trading Adviser (“CTA”) in connection with its advisory activities.

***Material Relationships and Conflicts of Interests with Industry Participants and Other Investment Advisers.***

### **Private Funds:**

UBC is affiliated through common control with entities that serve as general partner to the Private Funds advised by UBC. For a complete list of UBC’s related persons that serve as the general partner of the Private Funds, see Section 7.A. of Schedule D to UBC’s Form ADV Part 1A. The Private Funds advised by UBC, and which the general Partner is affiliated through common control include:

1. Ultra Blue Capital Fund I, LP (General Partner: Ultra Blue Capital GP I, LLC)
2. Ultra Blue Capital Fund II, LP (General Partner: Ultra Blue Capital GP II, LLC)

### **BDF.**

UBC is wholly-owned by BDF, and certain management persons and certain supervised persons of UBC are also employed directly by BDF. In certain of these positions, those management persons of UBC have some responsibility with respect to the business of BDF and the overall compensation these management persons receive is often based in part, upon the performance of BDF. Consequently, in carrying out their roles at UBC and BDF, these management persons are subject to conflicts of interest that exist between UBC and BDF. In addition, as noted in Item 4 – Advisory Business, BDF provides the proprietary machine-learning algorithms and predictions used by UBC in providing its investment advice to its Clients.

Certain of the Principals of UBC are also Principals of BDF. However, BDF does not participate in the day-to-day management of UBC, or the day-to-day selection, structuring, management, or disposition of any Client investments.

UBC does not recommend or select other investment advisers for Clients and does not have other business relationships with any such advisers that create a material conflict of interest.

### **Broker-Dealer Affiliations:**

The Chief Compliance Officer of UBC, Kelly Barker, is also a Compliance Officer of CGS-CIMB Securities (USA) Inc. as well as Chief Compliance Officer for DirectTrade Securities, LLC, both registered broker dealers and members of FINRA. These broker-dealers will never be used by UBC or Toroso, the outsourced trade execution company utilized for the ETF (see Item 12, Brokerage Practices), for client transactions.



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

UBC has adopted a Code of Ethics (the “Code”) designed to meet the requirements of Rule 204A-1 of the Advisers Act. The Code applies to UBC’s employees, including “Access Persons.” Access Persons include, generally, any partner, officer or director of and any employee or other supervised person of UBC who, in relation to the Clients, (1) has access to non-public information regarding any purchase or sale of securities, or non-public information regarding securities holdings or (2) is involved in making securities recommendations, executing securities recommendations, or has access to such recommendations that are non-public.

The Code sets forth a standard of business conduct that considers UBC’s status as a fiduciary and requires employees to place the interests of the Clients above their own interests and the interests of UBC. The Code also requires employees to comply with applicable federal securities laws. The Code further sets forth certain reporting and pre-clearance requirements with respect to personal trading by Access Persons. Access Persons must provide UBC’s Chief Compliance Officer (the “Chief Compliance Officer”) with a list of their personal accounts and an initial holdings report within 10 days of becoming an Access Person. In addition, UBC’s Access Persons are required to provide annual holdings reports and quarterly transaction reports in accordance with Advisers Act Rule 204A-1. Moreover, the Code seeks to ensure the protection of nonpublic information about the activities of UBC’s Clients. Employees are required to promptly bring violations of the Code to the attention of UBC’s Chief Compliance Officer.

UBC’s Code of Ethics also satisfies Rule 17j-1 of the 1940 Act with respect to the Registered Fund.

UBC will provide a copy of the Code of Ethics to any current or prospective Client or any investor or prospective investor in the Private Funds upon request. UBC’s Access Persons will be required to certify to their compliance with the Code of Ethics on an annual basis.

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

Conflicts of interest may occur if we, or our related persons, were to trade in the same security at or about the same time as our Clients. An example of such occurrence would be seeking to sell the securities we hold, while simultaneously recommending that our Clients maintain their position in the security. In such circumstances, a sale by our related persons or by us may affect the liquidity, value, or trading price of the securities that our Clients continued to hold. In addition, we or our personnel may invest in the Clients and, therefore, such persons may hold an indirect interest in the same securities as other investors. Our Code of Ethics and our personal trading policy have been designed to limit such conflicts of interest.

We may give advice and recommend securities to certain Clients that may differ from advice given to, or securities recommended to, or bought or sold for, other Clients, even though their investment programs may be the same or similar.

Occasionally, certain Clients may effect investments through one or more special purpose vehicles for which we or our related persons serve as general partner or manager. In such cases, we will treat any such special purpose vehicle and any such investing Clients together as one client, and we will not receive any additional benefits from advising any such special purpose vehicle.

On rare occasions, we may deem it to be in the best interests of our Clients to reallocate or “cross” securities transactions between Clients. Similarly, on rare occasions, we may enter into “principal transactions” in which we or a related person act as principal for our own account or as broker for the account of an Client with respect to the sale of a security to or purchase of a security from another Client. We maintain policies and procedures intended to limit the potential conflicts of interest inherent in cross or principal transactions. While UBC does not anticipate entering into any principal trades, UBC maintains procedures relating to principal trades that require consent from the Client prior to execution or prior to settlement of the transaction. Cross or principal transactions will only be effected if they are deemed to be in the best interests of the particular Clients involved and conducted in compliance with our policies and procedures and applicable law.

Cross transactions with the ETF must meet specified conditions and will be effected in accordance with the Registered Fund’s Rule 17a-7 procedures. Cross transactions involving the ETF will not be made if the parties to the transaction are affiliated in a manner not permitted by Rule 17a-7, as modified by no-action letters issued by the SEC. Generally, a cross transaction by UBC acting as principal for its own account is prohibited where the ETF would be a party to the transaction.

UBC has adopted an “Insider Trading Policy” that prohibits UBC and our Access Persons from trading for Clients or for ourselves or themselves, or recommending trading in securities of a company while in possession of material nonpublic information (“Inside Information”) about the company, and from disclosing such information to any person not entitled to receive it, in either case in contravention of applicable securities laws. By reason of our various activities, we may have access to Inside Information or be restricted from effecting transactions in certain investments that might otherwise have been initiated. We have adopted policies and procedures reasonably designed to, among other things, control and monitor the flow of Inside Information to and within our organization, as well as prevent trading based on Inside Information.

UBC believes that restricting and monitoring its Access Person’s personal trading in certain instances is one way of avoiding conflicts of interest between UBC’s Clients and such Access Persons. UBC’s personal trading policies are part of its Code of Ethics.

In addition, in general, UBC Access Persons must provide its Chief Compliance Officer with (i) their, and their immediate family members’ securities holdings at the commencement of employment and annually thereafter and (ii) quarterly transaction statements (if such outside brokerage transaction activity is not otherwise being captured through a compliance management system employed by UBC to monitor Access Person’s brokerage trading activity).

## **Item 12 – Brokerage Practices**

Pursuant to each Client's investment advisory agreement, or other similar agreement, UBC generally will have complete discretion, without obtaining specific Client consent, to (i) buy or sell securities, (ii) determine the amount of the securities to be bought or sold, (iii) select the broker or dealer to be used in such purchase or sale and (iv) agree to the commission rates paid in connection with such purchase or sale.

However, the selection of the broker or dealer may be tailored to a particular Client's investment guidelines or restrictions, where appropriate. Accordingly, portfolio transactions will be allocated to brokers based on best execution and in consideration of such broker's provision or payment of the costs of research and other services.

### **Selection of Broker-Dealers and Reasonableness of Compensation**

UBC retains the authority to select broker-dealers to execute all Client transactions and determine the brokerage commission rates paid by Clients. UBC has no obligation to deal with any particular broker-dealer in the execution of securities transactions. In selecting brokers and negotiating commission rates, UBC will take into account commission rates, reliability, financial responsibility, strength of the broker and the ability of the broker to efficiently execute transactions, the broker's facilities, and the broker's provision or payment of the costs of research and other services or property that are of benefit to UBC and our Clients, although Clients may not, in any instance, be the direct or indirect beneficiary of research services provided. As a result, Clients of UBC may pay commission rates higher than those that may be obtainable from other brokers.

### **Private Funds**

UBC anticipates that substantially all of the brokerage execution with respect to the Private Funds will be effected through the Custodian. While UBC will periodically review the quality and cost of execution, critical considerations for the selection of the Custodian for execution of Client transactions are the availability of electronic downloads of information, dedicated service teams, the ability to bunch trades (discussed below), costs, and ease of use by UBC internal staff. Clients, however, may pay higher commissions than those that may be obtainable from other brokers as a result of the selection of the Custodian as executing broker. As such, while UBC maintains the belief that it achieves overall best execution (i.e. the combination of both quantitative and qualitative factors), by trading virtually exclusively with the Custodian, clients should understand that lower commission rates or execution rates may be available through different executing brokers with whom UBC does not maintain a relationship.

UBC participates in the institutional advisor program (the "Program") offered by Interactive Brokers, LLC, member FINRA and SIPC ("Interactive Brokers" or "Custodian.") The Program is offered to independent advisers and includes such services as custody of securities, trade execution, clearance and settlement of transactions. UBC receives some benefits from the Custodian through its participation in the Programs. UBC is not affiliated with the Custodian.

UBC recommends the Custodian to clients for custody and brokerage services. While there is no direct link between UBC's participation in the Program and the investment advice it gives to its

Clients, through its participation in the Program UBC, receives economic benefits that are typically not available to the Custodian's retail investors. These benefits generally include, without limitation, the following products and services (provided without cost or at a discount): receipt of duplicate client statements and confirmations; research related products and tools; consulting services; access to trading desks serving the Programs' participants; access to block trading (which provides the ability to aggregate securities transactions for execution and then allocate the appropriate shares to Client accounts); the ability to have advisory fees deducted directly from client accounts; access to an electronic communications network for Client order entry and account information; and discounts on compliance, marketing, research, technology, and practice management products or services provided to UBC by third party vendors. The Custodian may also pay for business consulting, professional services and/or software received or utilized by UBC and its related persons. These services are not soft dollar arrangements but are part of the institutional platform offered by the Custodian.

Some of the products and services made available by the Custodian through the Program may benefit UBC but may not directly benefit its Client accounts. These products or services may assist UBC in managing and administering Client accounts, including accounts not maintained at the Custodian. Other services made available by the Custodian are intended to help UBC manage and further develop its business enterprise. The benefits received by UBC or its personnel through participation in the Program do not depend on the amount of brokerage transactions directed to the Custodian.

## **ETF**

UBC utilizes the services of Toroso Investments ("Toroso") as a trade execution desk whereby Toroso assumes activities for the ETF related to trade execution, matching, settlement, transaction cost analysis on an outsourced basis. UBC is responsible for overseeing Toroso trade activity to ensure best execution on behalf of all our clients, and to maintain compliance with all applicable ethical, legal and regulatory requirements. In arranging for the execution of client transactions, UBC and/or its outsourced trading partner(s) seeks to obtain best execution at favorable prices on behalf of its clients. The procedures used to direct client trades to a specific broker incorporate all information that UBC and/or its outsourced trading partner(s) deem relevant, including, without limitation:

- price of the security
- size and difficulty of the order
- quality of execution and liquidity services provided by the broker-dealer
- commission rates
- the broker-dealer's research and investment ideas
- the broker-dealer's ability to obtain a timely execution
- the broker-dealer's execution policies and commitment to providing best execution
- the size and volume of the broker-dealer's order flow
- reliability, efficiency, accuracy, integrity of the broker-dealer's general execution and operational capabilities
- the financial condition of the broker-dealer.

With respect to the ETF, brokers are selected by Toroso based on a best execution basis. On a periodic basis, UBC monitors commission rates on a quarterly basis, and periodically reviews the financial health of the brokers utilized by Toroso.

### **Research and Other Soft Dollar Arrangements**

Where best execution may be obtained from more than one broker or dealer, UBC may purchase and sell securities through brokers or dealers who provide research and execution-related products and services, although Clients may not necessarily be the direct or indirect beneficiaries of the research and/or services provided. When UBC determines it is in the best interest of Clients to obtain certain products or services using “soft dollars”, all such use of commissions or “soft dollars” generated by the Clients will fall within the safe harbor created by Section 28(e) of the Securities Exchange Act of 1934, as amended.

The provision by a broker of any research and other services and property to UBC creates an incentive for UBC to select brokers, including the Custodian for Private Fund transactions, which provide soft dollar benefits since UBC does not have to pay for such research and other services and property as opposed to solely seeking the most favorable execution for a Client. Any research, services or property provided by a broker may benefit any Client advised by UBC and such benefits may not be proportionate to commission dollars related to the provision of such research, services or property.

### **Brokerage for Client Referrals**

In selecting or recommending broker-dealers, UBC does not consider whether we, or any of UBC’s affiliates, receive client or investor referrals from a broker-dealer or other third party. We may attend events sponsored by certain broker-dealers in which we may be introduced to prospective Clients or investors; however, such events or introductions are not a material factor in UBC’s selection or recommendation of such broker-dealers.

### **Directed Brokerage**

“Directed brokerage” refers to instances in which a Client retains the discretion to choose brokers and instructs UBC to direct portfolio transactions to a particular broker-dealer. While UBC does not currently manage any Clients with directed brokerage accounts, Clients may in the future direct UBC to effect some or all of the transactions on behalf of such managed Client’s account through other brokers. In such instances, the managed Client’s direction must be in writing and should identify the directed broker and the percentage of brokerage that should be directed to the broker. Clients should be aware that, in the event a client directs the brokerage to be used for transactions, UBC may be limited in its ability to negotiate commissions, aggregate or “bunch” trade execution, obtain volume discounts, or best execution in some transactions. In addition, Clients may pay higher transaction costs as a result of a broker-directed account by a client.

### **Aggregating Orders for Various Client Accounts**

If UBC determines that the purchase or sale of the same security is appropriate for more than one Client, UBC may, but is not obligated to, aggregate orders in order to reduce transaction costs to

the extent permitted by applicable law. When an aggregated order is filled through multiple trades at different prices on the same day, each participating Client will receive the average price with transaction costs allocated *pro rata* based on the size of each Client's participation in the order as determined by UBC. In the event of a partial fill, allocations generally will be made on a *pro rata* basis on the initial order but may be modified on a basis UBC deems appropriate, including for example, in order to avoid odd lots or de minimis allocations.

### **Allocation of Investment Opportunities.**

UBC will allocate investment opportunities generally in a manner designed to achieve proportionality of investment opportunity as a percentage of total notional capital for each Client account for which the investment opportunity is recommended and suitable. These allocations are generally determined based upon UBC's proprietary AI-driven algorithms which actively identify opportunities and automatically invest, divest, and rebalance the Client portfolio allocations. UBC utilizes portfolio optimization techniques to determine trading activity, taking into account anticipated transaction costs associated with trading a particular security

Allocations of investment opportunities may be impacted by various additional factors including:

- the amount of cash in a Client's portfolio that is available for such investment;
- the investment capacity of a Client's account;
- tax or other legal considerations;
- the liquidity position of a particular Client;
- risk;
- the suitability of the investment for a particular Client;
- the investment restrictions for the Client account; and
- whether an allocation to a particular Client will have a material or immaterial impact on its overall portfolio.

### **Sequencing of Client Transactions**

As the ETF utilizes an outsourced trade execution desk, thereby eliminating the possibility for both Private Fund and ETF trades to be aggregated, UBC has implemented a procedure whereby transactions for the Client Accounts will be rotated on a trade-by-trade basis. For example, if UBC executes a transaction for the Private Funds first followed by the ETF in one instance, UBC will ensure that the ETF is traded first for the next trade and so on. By utilizing a rotation system for transactions, UBC will ensure that neither the Private Funds or ETF are systematically disadvantaged (or advantaged as the case may be).

### **Trade Errors**

UBC has adopted a trade error policy and related trade error procedures to facilitate the prompt and appropriate resolution of trade errors. Trade errors may occur as a result of mistakes made on the part of an executing broker, or mistakes on the part of UBC personnel, including, but not limited to, portfolio managers, traders and/or operations staff.

Trade errors may include, for example, keystroke errors that occur when entering transactions into electronic trading systems, failures of oral or other communications between and among UBC's investment staff, trading staff and operations staff, or between UBC's personnel and the third parties, such as executing brokers, with whom UBC conducts trading activities or typographical or drafting errors related to purchase contracts or similar agreements. In accordance with UBC's trade error policies and procedures, all trade errors, if any, are promptly and appropriately reviewed, evaluated and resolved, and any gains or losses resulting therefrom are allocated properly between UBC, the applicable Clients and, where applicable, third parties. Gains and losses from multiple trade errors, if any, generally are not netted. Rather, each trade error generally is separately resolved in accordance with the policy and procedures described herein.

UBC strives to correct all trade errors prior to the settlement of any transaction, and to minimize gains and losses resulting from trade errors. Trade errors caused by third parties, such as executing brokers, are the responsibility of the third party and UBC endeavors to have the affected Clients reimbursed for such trade errors by such third parties. Such reimbursements generally are in accordance with the agreements in effect from time to time between UBC and such third parties, such third parties' customer policies and procedures and governing law. UBC does not absorb and is not otherwise responsible for losses resulting from trade errors caused by third parties and UBC does not utilize soft dollar arrangements in resolving trade errors.

To the extent that a trade error may occur on the part of UBC's personnel, it almost always would occur as part of the business of UBC in effecting transactions for Clients in the ordinary course of their businesses. Thus, to the extent of any trade errors with respect to a Client, (i) all gains in such Client's account resulting from such trade errors will remain in such Client's account for the benefit of such Client and (ii) in accordance with the exculpation and indemnification provisions between such Client and UBC, all losses resulting from such trade errors (that are not reimbursed by third parties, such as executing brokers) will be borne by such Client, and not UBC, unless (a) such trade error was caused by UBC or their personnel acting (or failing to act) in violation of the standards of care applicable to the exculpation and indemnification protections afforded to UBC in any applicable governing documents or agreements with respect to Clients, (b) reimbursement by UBC to such Client is otherwise required by applicable law or (c) if specific policies have been adopted by a Client.

UBC generally will not notify investors in any Client that a trade error has occurred unless a determination has been made that the trade error has or will have a material adverse impact on the investors and/or a Client.

UBC maintains a record of trade errors which includes, among other things, the date that the trade error occurred, a description of the persons and entities involved in and the circumstances surrounding the trade error, and the means by which the trade error was addressed and/or resolved. Such record is maintained in accordance with UBC's recordkeeping policies.

## **Item 13 – Review of Accounts**

### **Periodic Review of Client Accounts**

UBC's investment professionals will continuously monitor and review positions held by Clients to determine whether securities positions should be maintained in light of current market conditions. Additionally, Client accounts will be reviewed in the context of their stated investment objectives. Matters reviewed include specific securities held, adherence to investment guidelines and the performance of each Client.

### **Additional Review of Client Accounts**

Additional reviews of Client accounts may be performed upon material changes in investment assets of Client accounts, changes in market conditions, or periods of significant over or under performance to the Private Fund or ETF's benchmark index.

### **Contents and Frequency of Account Reports to Clients**

Subject to each Private Fund's Governing Documents, investors in the Private Funds generally receive unaudited monthly statements or performance reports from the administrator of the Private Fund in which they invest. In addition, investors in the Private Funds may be supplied with a commentary on each month's or quarter's performance in monthly or quarterly communications. Investors are also provided with a copy of the annual audit, conducted by a certified public account, of the Private Fund in which they invest within one hundred twenty (120) days after the end of each fiscal year as well as information regarding the Private Funds for completion of investors' tax returns.

The Private Funds may also provide or make available additional reports or information to investors from time to time as determined by UBC and/or the general partner in its sole discretion.

Investors in the ETF should refer to the ETF prospectus and Statement of Additional Information for information relating to reporting frequency, contents and delivery of the ETF.



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

UBC does not engage third parties for client referrals, nor does UBC receive any economic benefits from non-clients for providing investments advisory services to our clients.

## **Item 15 – Custody**

Rule 206(4)-2 promulgated under the Advisers Act (the “Custody Rule”) (and certain related rules and regulations under the Advisers Act) imposes certain obligations on registered investment advisers that have custody or possession of any funds or securities in which any client has any beneficial interest. An investment adviser is deemed to have custody or possession of client funds or securities if the adviser directly or indirectly holds client funds or securities or has the authority to obtain possession of them (regardless of whether the exercise of that authority or ability would be lawful).

UBC is required to maintain the funds and securities (except for securities that meet the privately-offered securities exemption in the Custody Rule) over which they have custody with a qualified custodian. Qualified custodians include banks, brokers, futures commission merchants and certain foreign financial institutions.

Rule 206(4)-2 imposes on advisers with custody of clients’ funds or securities certain requirements concerning reports to such clients (including underlying investors) and surprise examinations relating to such clients’ funds or securities. However, an adviser need not comply with such requirements with respect to pooled investment vehicles subject to audit and delivery if each pooled investment vehicle (i) is audited at least annually by an independent public accountant and (ii) distributes its audited financial statements prepared in accordance with generally accepted accounting principles to their investors, all limited partners, members or other beneficial owners within 120 days (180 days in the applicable case of a fund of fund adviser) of its fiscal year-end. UBC intends to rely upon this audit exception with respect to the Private Funds.

The Custody Rule does not apply with respect to the ETF. Custody of the assets of any ETF will be maintained in accordance with the ETF’s policies and procedures applicable under Section 17(f) under the 1940 Act.

### **Item 16 – Investment Discretion**

UBC has the authority to determine, without specific Client consent the securities to be bought and sold, the amount of securities to be bought and sold, the broker or dealer to be used in the transaction and the commission rates paid.

In all cases, however, such discretion is to be exercised in a manner consistent with the stated investment objectives for the particular Client. When selecting investments UBC observes the investment objective and strategies as described in the relevant Private Placement Memorandum, Prospectus, governing documents or Investment Management Agreement of the Client.

In some cases additional policies or guidelines may be set by a Client's board of directors. UBC is generally authorized to make the following determinations, consistent with the Client's goals and policies, without Client consultation or consent before a transaction is effected:

- which securities or other investments to buy or sell;
- the total amount of securities or other investments to buy or sell;
- the broker or dealer through whom securities are bought or sold;
- the commission rates at which securities or other investment transactions for client accounts are effected; and
- the price at which securities or other investments are to be bought or sold, which may include dealer spreads or mark-ups and transactions costs.

UBC may act as investment manager to other clients (including funds) now or in the future and each account's investment restrictions and guidelines may differ. All investment decisions for an account are made in accordance with the investment restrictions and guidelines of that account. Investment decisions for each account are made with a view to achieving the account's investment objectives and after consideration of such factors as the account's current holdings, the current investment views of UBC, availability of cash for investment, and the size of the account's positions generally.

### **Item 17 – Voting Client Securities**

To the extent UBC has been delegated proxy voting authority on behalf of its Clients, UBC has adopted detailed policies and procedures that are designed to ensure that proxies will be voted with diligence, care, and loyalty, and in accordance with Rule 206(4)-6 under the Advisers Act and UBC's fiduciary duty to its Clients. In cases where UBC votes proxies with respect to Client securities, such proxies are voted in the best interests of its Clients. Generally, the financial interest of the client is the primary consideration in determining how proxies should be voted. UBC has a responsibility to analyze proxy issues and vote in a way consistent with those financial interests.

It may not always be in the best interest of Clients to vote in accordance with the UBC proxy voting policies and procedures on a particular issue. In such circumstances, UBC may deviate from the guidelines with approval from the Chief Executive Officer. UBC's Clients generally are not permitted to direct their votes in a particular solicitation.

Clients may obtain a copy of UBC's proxy voting policies and procedures and information about how UBC voted a client's proxies by contacting the Chief Executive Officer by email at [pouya@bigdatafed.com](mailto:pouya@bigdatafed.com) or by telephone at (408) 623-8529.

### **Item 18 – Financial Information**

UBC is not aware of any financial condition that is reasonably likely to impair its ability to meet its contractual and fiduciary commitments to its Clients. UBC has not been the subject of any bankruptcy petition since the formation of the firm in 2017. Additionally, UBC is not required to attach a balance sheet because we do not require or solicit the payment of fees six months or more in advance at this time.