

PHORCYS ASSET MANAGEMENT LLC

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This brochure provides information about the qualifications and business practices of Phorcys Asset Management LLC (“PAM”). If you have any questions about the contents of this brochure, please contact us at (770) 777-9373 and/or jholman@phorcysam.com. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission (“SEC”) or by any state securities authority.

Additional information about PAM is also available on the SEC’s website at www.adviserinfo.sec.gov.

REGISTRATION WITH THE SEC AS AN INVESTMENT ADVISER DOES NOT IMPLY A PARTICULAR LEVEL OF SKILL OR TRAINING IN THE INVESTMENT ADVISORY OR ANY OTHER BUSINESS.

Item 2: Material Changes

Since the last filing of PAM's Form ADV Part 2 brochure, dated October 1, 2021, the following material changes have occurred:

- Updated PAM's advisory business to reflect the relationship with its "Integrated Affiliates" in Item 4; and
- Updated PAM's affiliation with other investment advisers that are operationally integrated with PAM in Item 10.

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Item 4: Advisory Business

PAM is an alternative investment management firm headquartered in Alpharetta, Georgia focused on investing in underperforming micro-issue municipal bonds and revenue bonds that are supported by underlying assets such as hospitals, senior care facilities, affordable housing, university dorms, recreational centers, public utilities and infrastructure projects. PAM commenced operations in March 2021. The principal owners of PAM are Vasileios A. Sfyris, W. Heath Hawk and Benjamin T. Eiler. Messrs. Sfyris and Hawk have worked with each other for more than two decades and Eiler has been a partner with each of Messrs. Sfyris and Hawk, for over ten years at various affiliates of PAM.

Pursuant to Rule 203A-2(b) of the Advisers Act, PAM qualifies as a “related adviser” of Phorcys Capital Partners LLC, an SEC registered advisory firm and affiliate of PAM. Furthermore, in accordance with the Richard Ellis, Inc. SEC No Action Letter (August 18, 1981) (the “Richard Ellis Doctrine”), PAM takes the position that, for purposes of complying with the Investment Advisers Act of 1940, as amended (the “Advisers Act”), it is deemed operationally integrated with its affiliated advisers, Phorcys Capital Partners LLC, Phorcys Investment Adviser LLC, PRCE Management LLC and FSAM LLC (collectively, the “Integrated Affiliates”). The Integrated Affiliates have each separately filed Part 1A and 2A with the SEC.

Presently, PAM serves as a subadvisor to a separately managed account and provides its services on a non-discretionary basis. In the future, PAM may serve as a primary advisor, may have discretionary trading authority and may advise pooled investment vehicles in addition to separately managed accounts.

The advisory services provided by PAM to its separately managed account client (the “Sub-advised Account”), and restrictions on investments by the Sub-advised Account, were determined by PAM in consultation with the primary adviser to the Sub-advised Account. Consequently, the sub-advisory services provided are tailored to the needs of the Sub-advised Account but the primary adviser, rather than the Sub-advised Account, has the ability to impose restrictions on investing in certain securities and types of securities pursuant to the sub-advisory agreement which sets forth the guidelines and restrictions related to PAM’s services. PAM is permitted to execute approved trades for the Sub-advised Account, but is not allowed to take or have possession of the Sub-advised Account’s cash or securities or to direct delivery thereof. The advisory services provided by PAM to private investment vehicles advised by PAM (the “PAM Funds”) and to separate accounts managed by PAM, including the Sub-advised Account (and together with the PAM Funds, collectively, the “PAM Clients”), and any restrictions on investments, will be determined by PAM.

Client, investors and prospective investors in the Sub-advised Account or the PAM Funds should refer to the sub-advisory agreements, confidential private placement memoranda, limited partnership agreements and/or memorandum and articles of association and other governing documents for each such vehicle or account (the “Governing Documents”) for more complete information on the investment objectives and investment restrictions with respect to a particular fund or account. In addition, the scope of the services provided to each client is governed by the specific terms and conditions of such client’s investment management agreement and may differ

between clients. There is no assurance that any Sub-advised Account's or PAM Fund's investment objectives will be achieved.

PAM does not participate in, nor is it a sponsor of, wrap fee programs.

As of December 31, 2021, PAM manages \$0 on a discretionary basis and \$0 on a non-discretionary basis. However, PAM together with the Integrated Affiliates manage in the aggregate approximately \$297,181,000 as of December 31, 2021.

Item 5: Fees and Compensation

Compensation and Fee Schedules

With respect to the Sub-advised Account, PAM will receive a servicing fee (the "Servicing Fee") which will be paid quarterly in arrears and a performance fee (the "Performance Fee") which will be paid annually after each year end. The Performance Fee will be based on a share of the capital appreciation of the assets of the Sub-advised Account and will be subject to increase after a preferred return is paid to the Sub-advised Account.

Fees are negotiable for separately managed accounts and are determined on a case-by-case basis with each client based upon the scope of investment advisory services to be provided. The management fees and performance fees with respect to any PAM Funds will be determined by PAM and, to the extent applicable, will be set forth in detail in each PAM Fund's Governing Documents and in the investment management agreements related to such accounts.

PAM (or its affiliates) may, in the future, and in its sole discretion, determine to increase, reduce, waive or calculate differently the fees and/or performance allocations charged to its clients or to investors in any PAM Funds, including members, partners, directors, officers, affiliates or employees of PAM, its affiliates or the PAM Funds or such persons' family members and trusts or other entities established for the benefit of such persons or their families.

PAM may enter into "side letters" or similar agreements with certain investors in the PAM Funds granting such investors specific rights, benefits, or privileges that are not made available to other investors in the PAM Funds or providing certain other rights related to such investors' investments, including but not limited to, more favorable terms relating to information, fees and liquidity.

Deduction of Fees

With respect to the Sub-advised Account, PAM will not have the ability to deduct fees from the Sub-advised Account's assets. PAM does not currently bill its fees in advance.

Other Fees and Expenses

In addition to the fees payable to PAM, the PAM Funds pay all trading costs and expenses (*i.e.*, brokerage commissions and execution costs) associated with the investments in their account.

The section below titled "Brokerage Practices" describes the factors PAM considers in selecting or recommending broker-dealers and determining the reasonableness of their compensation.

Transaction-Based Compensation

Neither PAM nor its supervised persons receives any compensation with respect to the purchase or sale of securities or other investment products by any client, including any PAM Fund.

The foregoing compensation could create an incentive for PAM to manage client investments in a manner that could increase the risk of loss.

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

Performance-Based Fees

PAM will receive the Performance Fee annually after the end of each calendar year. The Performance Fee will be calculated and charged based on a share of the distributions made by the Sub-advised Account during such year. PAM seeks to negotiate both a management fee and/or fixed fee and a performance-based fee for investment advisory services provided to all clients. Currently, there are no client relationships whereby a conflict could arise as a result of a performance-based fee charged to one client versus an hourly or flat fee or asset-based fee charged to another client. The performance-based fee arrangements described above comply with Rule 205-3 under the Advisers Act. Different client accounts may be subject to different performance-based compensation arrangements.

Performance-based compensation arrangements may create an incentive for PAM to recommend investments that may be riskier or more speculative than those that would be recommended under a different fee arrangement. In addition, “net appreciation,” which may form the basis upon which certain of PAM’s performance-based compensation will be determined, includes unrealized appreciation, and may result in PAM receiving greater performance-based compensation than would be the case if net appreciation was based only on realized gains.

Side-by-Side Management

PAM may provide concurrent advisory services to clients that are not charged a performance-based fee or allocation, or are charged a lower fee, at the same time as it provides services to clients that are charged a higher performance-based fee or allocation. The potential for PAM to receive greater fees or allocations from performance-based accounts, or accounts paying higher fees, may create a potential conflict of interest with respect to the allocation of investment opportunities, as PAM may have an incentive to direct the best investment ideas to, or to allocate investments in favor of, the account that pays a higher performance fee or allocation. To alleviate potential conflicts of interest, the allocation of commitments and investment decisions with respect to clients are made by PAM in accordance with PAM’s investment allocation policy, considering all factors potentially applicable to each client. Among the factors that may be considered by PAM in allocating trades among client accounts are: investment policies, guidelines or restrictions applicable to each specific client; tax considerations; cash availability; liquidity requirements for payment of redemptions or other purposes; risk tolerances; restrictions under the Employee Retirement Income Security Act of 1974 or other applicable laws or regulations; available credit lines; counterparty exposure; account size; industry and security weightings; and hedging objectives and activity.

In the event investment opportunities are suitable for more than one client, PAM will allocate such investment opportunities in accordance with its allocation policy in effect from time to time, which provides that such allocation be fair and equitable to each account over time, taking into account all relevant facts and circumstances. PAM's allocation policy is reviewed periodically and subject to change. PAM allocates expenses among participating accounts in proportion to their respective net asset values or in such other manner that it determines to be equitable.

PAM or its affiliates may manage separately managed accounts or dedicated investment vehicles for institutional investors that pursue strategies similar to, or that overlap with, those of other clients. These clients may have access to detailed information about their accounts, including current portfolio holdings, which PAM does not customarily make available to other clients or investors in pooled investment vehicles. Such clients may be able to take action, including more timely action, with respect to their accounts that investors in pooled vehicles with similar or parallel strategies cannot take.

PAM and its affiliates may purchase on behalf of clients, different classes of debt and/or equity of the same borrower or issuer. These and other investments may be deemed to create a conflict of interest. PAM may be required to take certain actions for some clients with respect to one class of debt or equity that may be adverse to other clients who hold other classes of debt or equity of the same borrower or issuer.

Item 7: Types of Clients

Types of Clients

PAM advises separately managed accounts and may in the future provide advice to pooled investment vehicles, the limited partners and shareholders of which may include corporations, endowments, foundations, trusts, estates, individuals and pension and profit sharing plans, separately managed accounts whose clients fall into the same categories. Certain of PAM's separately managed accounts clients may, in the future, invest in PAM Funds.

Minimum Investment Requirements

PAM and its related persons generally will require that each investor in a PAM Fund be an "accredited investor" as defined in Regulation D under the Securities Act of 1936, as amended (the "Securities Act") and either a "qualified client" as defined in Rule 205-3 under the Advisers Act or a "qualified purchaser" as defined in Section 2(a)(51) of the Investment Company Act of 1940, as amended (the "Investment Company Act").

Investors in the PAM Funds will generally be required to make a minimum initial investment in such amount as may be set forth in the Governing Documents of such funds, although PAM may accept lower amounts in its (or the relevant general partner's) discretion.

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

Methods of Analysis

Investments and potential investments are typically analyzed by PAM using industry standard subscriptions and systems such as Bloomberg, the Municipal Securities Rulemaking Board's EMMA website, ICE Eval and Alternative Trading Systems such as Munibrokers, Creditex Bondpoint (ICE), Muni Center and Tradeweb Direct.

The investment strategies employed by PAM include, but are not limited to, investing in underperforming micro-issue municipal bonds and revenue bonds in the \$5 million to \$25 million range that are supported by underlying assets such as hospitals, senior care facilities, affordable housing, university dorms, recreational centers, public utilities and infrastructure projects. PAM seeks to identify bonds that are available at deep discounts to estimated intrinsic value and acquire the entire issue or a majority interest directly from funds or in the secondary market, capitalizing on events such as defaults, downgrades, operational difficulties or natural disasters, when interest may be weak and valuations may be low. Once a position is established, PAM, with the assistance of third-party professionals retained by PAM, seeks to restore and improve the value of the underlying assets and exit the position once value has been restored.

This description of specific strategies that are or may be engaged in by PAM on behalf of its clients is a summary only. Under the Governing Documents of PAM Funds or the investment management agreements with respect to other clients, PAM will typically have broad discretion to employ investment strategies not described above that PAM may, from time to time, consider appropriate.

The investment programs of PAM's clients are speculative and entail substantial risks. There can be no assurance that PAM's investment objectives will be achieved. Accordingly, PAM's investment strategies could result in substantial losses to its clients under certain circumstances.

Material Risks of Investment Strategies

The following is a summary of material risks related to each significant investment strategy or method of analysis used by PAM. It is important to note, however, that the summary of material risks below is not meant to be exhaustive or complete.

Investing in securities involves a high degree risk, including the risk that the entire amount invested may be lost. Clients should be prepared to bear such risk of loss.

Although investments selected by PAM may result in significant returns to our clients, they also involve a substantial degree of risk. PAM generally accepts only clients that are able to bear the financial risk of the investment strategy for an indefinite period of time and are able to sustain the loss of all or a significant part of their investment. Risks that are described with respect to the PAM Clients will also be applicable to investments selected by PAM on behalf of its other clients.

Prospective investors in the PAM Funds should carefully review the risks described in the Governing Documents for the relevant PAM Fund and should evaluate the merits and risks of an investment in the context of their overall financial circumstances. The risk factors below are not intended to be exhaustive and should be considered carefully by prospective clients and prospective investors in the PAM Funds together with the full text of the applicable Governing Document or client agreement.

Municipal Bonds. PAM, on behalf of one or more PAM Clients, will invest in municipal bonds, which generally give rise to interest that is exempt from U.S. federal income taxation. On the date of the initial issuance of municipal bonds, bond counsel or special tax counsel (which is not counsel to the PAM Clients or PAM) generally renders its opinion that, based on the law in effect at that time, interest on such municipal bonds will be excludable from gross income for U.S. federal income tax purposes. The Internal Revenue Code of 1986, as amended (the “Tax Code”) establishes certain requirements that an issuer must meet following the issuance and delivery of its municipal bonds in order for interest on such bonds to remain excluded from gross income for U.S. federal income tax purposes. Among these continuing requirements are restrictions on the issuer’s investment and use of the proceeds of the bonds. Failure to comply with these requirements may cause interest on the bonds to be includable in gross income for U.S. federal income tax purposes, retroactive to the date of issuance, regardless of when the noncompliance occurs. Issuers of municipal bonds typically covenant to comply with certain procedures and guidelines designed to insure satisfaction with the Tax Code’s continuing requirements. None of the PAM Clients, PAM or their counsel has passed or will pass upon, nor assumes any responsibility for, any of the tax aspects of the municipal bonds in which the PAM Clients invest, including, without limitation, bond counsel’s tax opinion or the initial or continuing status of interest on the bonds as excludable from gross income for U.S. federal income tax purposes.

Investments in Distressed Securities. PAM, on behalf of one or more of the PAM Clients, may invest in “below investment grade” securities and obligations of issuers in weak financial condition, experiencing poor operating results, having substantial capital needs or negative net worth, facing special competitive or product obsolescence problems, including companies involved in bankruptcy or other reorganization and liquidation proceedings. These securities are likely to be particularly risky investments although they also may offer the potential for correspondingly high returns. Among the risks inherent in investments in troubled entities is the fact that it frequently may be difficult to obtain information as to the true condition of such issuers. Such investments may also be adversely affected by laws relating to, among other things, fraudulent transfers and other voidable transfers or payments, lender liability and the bankruptcy court’s power to disallow, reduce, subordinate or disenfranchise particular claims. Such companies’ securities may be considered speculative, and the ability of such companies to pay their debts on schedule could be affected by adverse interest rate movements, changes in the general economic climate, economic factors affecting a particular industry or specific developments within such companies. In addition, there is no minimum credit standard that is a prerequisite to PAM clients’ investment in any instrument, and a significant portion of the obligations and securities in which PAM, on behalf of one or more of the PAM Clients, invests may be less than investment grade. The level of analytical sophistication, both financial and legal, necessary for successful investment in companies experiencing significant business and financial difficulties is unusually high.

Risks of Acquiring Real Property. PAM, on behalf of one or more of the PAM Clients, will invest in securities supported by real property assets and such PAM Client’s investments will be subject to various risks which among other things, may cause fluctuations in occupancy, rental rates, operating income and expenses or which may render the sale or financing of its properties difficult or unattractive. For example, following the termination or expiration of a tenant’s lease there may be a period of time before an issuer will begin receiving rental payments under a replacement lease. During that period, an issuer will continue to bear fixed expenses such as

interest, real estate taxes, maintenance and other operating expenses. In addition, declining economic conditions may impair an issuer's ability to attract replacement tenants and achieve rental rates equal to or greater than the rents paid under previous leases. Increased competition for tenants may require an issuer to make capital improvements to properties which would not have otherwise been planned. Any unbudgeted capital improvements that an issuer undertakes may divert cash that would otherwise be available for distribution to investors of such PAM Client. Ultimately, to the extent that an issuer is unable to renew leases or re-let space as leases expire, decreased cash flow from tenants will result, which could adversely impact such PAM Client's performance results.

Control Positions. PAM, on behalf of one or more of the PAM Clients, acting either alone or as part of a group, expects to acquire a "control" positions in issuers' securities. This may subject the PAM Clients to additional risks of liability for environmental damage, product defects, failure to supervise management, violation of governmental regulations and other types of liability in which the limited liability generally characteristic of business operations may be ignored.

Event-Driven Investing. Event-driven investing requires the investor to make estimations about (i) the likelihood that an event will occur and (ii) the impact such event will have on the value of a company's financial instruments. In liquidations and other forms of corporate reorganization, the risk exists that the reorganization either will be unsuccessful, will be delayed, or will result in a distribution of cash or a new security, the value of which may be less than the purchase price of the security in respect of which such distribution was made. The consummation of mergers and tender and exchange offers can be prevented or delayed by a wide range of factors.

Relative Value. The success of PAM's investment strategy depends on its ability to identify overvalued and undervalued investment opportunities and exploit perceived inefficiencies in the pricing of financial instruments and capital, financial products or markets. Identification and exploitation of such discrepancies involve uncertainty. No assurance can be given that PAM will be able to correctly or successfully locate investment opportunities or to exploit pricing inefficiencies in the capital markets. In the event that the perceived mispricings underlying the positions of PAM clients were to fail to converge toward, or were to diverge further from, relationships expected by PAM, such clients may incur losses.

Equity Price Risk. The investment portfolios of PAM clients may include long and short positions in equity securities of public and private, listed and unlisted companies. Equity securities fluctuate in value in response to many factors, including, among others, the activities and financial condition of individual companies, geographic markets, industry market conditions, interest rates and general economic environments. In addition, events such as the domestic and international political environments, terrorism, natural disasters and pandemics, may be unforeseeable and contribute to market volatility in ways that may adversely affect investments made by PAM, on behalf of one or more of the PAM Clients.

Illiquid Investments. PAM may invest in securities and other assets that are subject to legal or other restrictions on transfer or for which no liquid market exists. The market prices, if any, for such investments tend to be volatile and may not be readily ascertainable, and PAM may not be able to sell them when it desires to do so or to realize what it perceives to be their fair value in the event of a sale. The sale of restricted and illiquid assets often requires more time and results in

higher brokerage charges or dealer discounts and other selling expenses than does the sale of assets eligible for trading on national securities exchanges or in the over-the-counter markets. PAM may not be able to readily dispose of such illiquid investments and, in some cases, may be contractually prohibited from disposing of such investments for a specified period of time. Thus, there can be no assurance as to the timing and amount of distributions from any PAM Client and distributions that would require either an in kind distribution or a forced sale of illiquid investments at a price deemed unattractive by PAM may occur. Restricted assets may sell at a price lower than similar assets that are not subject to restrictions on resale.

Competition and Supply for Investments. PAM's success in investing will depend, in part, on its ability to obtain investments on advantageous terms. In purchasing investments, PAM's clients will compete with a broad spectrum of investors and institutions. Increased competition for, or a diminution in the available supply of, investments which meet a client's investment objectives could result in lower yields on such investments, which could reduce returns to investors. In addition, there can be no assurance that a PAM Client will be able to fully invest its available capital.

Uncertain Exit Strategies. Due to the illiquid nature of some or all of the positions which PAM's clients may acquire, PAM is unable to predict with confidence what the exit strategy will ultimately be for any given position, or that one will definitely be available. Exit strategies which appear to be viable when an investment is initiated may be precluded by the time the investment is ready to be realized, due to economic, legal, political or other factors.

Public Health Risk. PAM and the PAM Clients could be adversely affected by the effects of a widespread outbreak of contagious disease, such as the recent outbreak of a novel coronavirus ("COVID-19"). Public health crises can develop rapidly and unpredictably, which may prevent governments, companies or others (including PAM and the PAM Clients) from taking timely or effective steps to mitigate or reduce any adverse impacts. Any outbreak of contagious diseases and other adverse public health developments, together with any resulting disruptions or restrictions on travel or quarantines imposed, could have a material and adverse effect on PAM and the PAM Clients, including by disrupting or otherwise adversely affecting the human capital, business operations or financial resources of the PAM Clients, PAM, the administrator or other service providers to PAM and the PAM Clients (which could, in turn, adversely impact the ability of such service providers to fully support the administration and operations of PAM and the PAM Clients) or causing similar disruptions in the capital, operations and resources of PAM and the PAM Clients. In addition, a significant outbreak of contagious diseases in the human population, and any containment or other remedial measures imposed, may result in a widespread health crisis that could severely disrupt global, national and/or regional economies and financial markets and cause an economic downturn that could adversely affect the performance of PAM and the PAM Clients. For example, the risk of further spreading of COVID-19 has led to significant uncertainty and extreme volatility in the financial markets, including those leading to the automatic suspension of trading on U.S. stock exchanges. The performance of PAM and the PAM Clients may also be affected by particular issues affecting companies, regions or sectors of its investments, such as a significant reduction in transaction volume. The extent of any such impacts will depend on future developments, which are highly uncertain and cannot be predicted at this time, including new information which may emerge concerning the severity of COVID-19 and containment efforts, among others, by U.S. or other governments.

In addition, the risks associated with a widespread outbreak of a contagious disease, such as COVID-19, may make it more likely that limited partners and shareholders of the PAM Clients fail to fund their subscription obligations or other payments when due, in which case PAM's ability to complete its investment strategy or otherwise continue operations may be impaired.

Leverage and Financing Risk. PAM, on behalf of one or more of the PAM Clients, has the authority to borrow funds, enter into subscription credit facilities, use leverage in trading currencies, securities and derivative instruments, and use other means of financing as deemed appropriate. PAM, on behalf of one or more of the PAM Clients, may pledge the assets of its clients in order to borrow additional funds for investment purposes. PAM, on behalf of one or more of the PAM Clients, may also leverage the investment return of its clients with options, short sales, swaps, forwards and other derivative instruments. The amount of borrowings that a client of PAM may have outstanding at any time may be substantial in relation to its capital. While leverage presents opportunities for increasing total return, it has the effect of potentially increasing losses as well. The anticipated use of short-term margin borrowings results in certain additional risks, such as the potential for a "margin call," pursuant to which a PAM client must either deposit additional funds or assets with a broker, or suffer mandatory liquidation of the pledged assets to compensate for a decline in value of such assets. In the event of a sudden drop in the value of the client's assets, such client might not be able to liquidate assets quickly enough to satisfy its margin requirements. Asset value declines and market instability resulting from COVID-19 may increase the risk of default under these credit facilities and investors in the PAM Clients could incur significant losses, including the loss of their entire investment.

Options. PAM, on behalf of one or more of the PAM Clients, may invest in, or write, options. The purchaser of a put or call option runs the risk of losing his, her or its entire investment in a relatively short period of time if an option expires unexercised. The uncovered writer of a call option is subject to a risk of loss should the price of the underlying security increase, and the uncovered writer of a put option is subject to a risk of loss should the price of the underlying security decrease.

Swaps and Derivatives. PAM, on behalf of one or more of the PAM Clients, may invest and trade in swaps, including credit default swaps (as described above), "synthetic" or derivative instruments, over-the-counter options and other customized financial instruments issued by banks, brokerage firms or other financial institutions. A swap is an agreement between a client of PAM and a financial intermediary whereby cash payments periodically are exchanged between the parties based upon changes in the price of an underlying asset (such as an equity security, an index of securities, or another asset or group of assets with a readily determinable value). For example, an interest rate swap involves one party agreeing to make periodic fixed payments to the other party in return for the other party agreeing to make periodic payments to the first party that vary with the prime rate or another variable interest rate indicator. Swaps and other derivatives are subject to the risk of non-performance by the swap counterparty, including risks relating to the financial soundness and creditworthiness of the swap counterparty. Swaps and other forms of derivative instruments are not guaranteed by an exchange or clearing house or regulated by any U.S. or foreign governmental authority. It may not be possible to dispose of or close out a swap or other derivative position without the consent of the counterparty, and PAM, on behalf of one or more of the PAM Clients, may not be able to enter into an offsetting contract in order to be able to cover its risk.

Short Selling. Short selling involves selling securities which are not owned by the short seller and borrowing them for delivery to the purchaser, with an obligation to replace the borrowed securities at a later date. Short selling allows the investor to profit from a decline in market price to the extent such decline exceeds the transaction costs and the costs of borrowing the securities. A short sale creates the risk of a theoretically unlimited loss, in that the price of the underlying security could theoretically increase without limit, thus increasing the cost of buying those securities to cover the short position. There also can be no assurance that the securities necessary to cover a short position will be available for purchase at or near prices quoted in the market. Purchasing securities to close out a short position can itself cause the price of the securities to rise further, thereby exacerbating the loss.

Forward Trading. Forward contracts and options thereon, unlike futures contracts, are not traded on exchanges and are not standardized; rather, banks and dealers act as principals in these markets, negotiating each transaction on an individual basis. Forward and “cash” trading is substantially unregulated; there is no limitation on daily price movements and speculative position limits are not applicable. The principals who deal in the forward markets are not required to continue to make markets in the currencies or commodities they trade and these markets can experience periods of illiquidity, sometimes of significant duration. There have been periods during which certain participants in these markets have refused to quote prices for certain currencies or commodities or have quoted prices with an unusually wide spread between the price at which they were prepared to buy and that at which they were prepared to sell. Disruptions can occur in any market due to unusual trading volume, political intervention or other factors. The imposition of controls by governmental authorities might also limit forward trading. Market illiquidity or disruption could result in major losses.

Hedging Transactions. While PAM, on behalf of one or more of the PAM Clients, may enter into hedging transactions to seek to reduce risk, such transactions may result in a poorer overall performance for clients of PAM than if it had not engaged in such hedging transactions. For a variety of reasons, PAM may not seek to establish a perfect correlation between the hedging instruments utilized and the portfolio holdings being hedged. Such an imperfect correlation may prevent PAM, on behalf of one or more of the PAM Clients, from achieving the intended hedge or expose a client of PAM to risk of loss. PAM, on behalf of one or more of the PAM Clients, may not hedge against a particular risk because it does not regard the probability of the risk occurring to be sufficiently high as to justify the cost of the hedge, or because it does not foresee the occurrence of the risk. The successful utilization of hedging and risk management transactions requires skills complementary to those needed in the selection of portfolio holdings.

Operational Risks. PAM is responsible for developing, implementing and operating appropriate systems and procedures to execute all investment transactions and monitor and control operational risk on behalf of client accounts. PAM relies on its execution, financial, accounting and other data processing systems to trade, clear and settle all transactions, to evaluate and monitor potential and existing portfolio investments, and to generate risk management and other reports that are critical to oversight of client accounts. Certain of the PAM’s operations are dependent upon systems operated by third parties, including prime brokers, counterparties, electronic exchanges, other execution platforms and their various service providers. PAM may not be in a position to verify the reliability of such third-party systems or data. Failure of or errors in such systems could result in mistakes or delays in the execution, confirmation or settlement of transactions, or in transactions

not being properly booked, evaluated or accounted for. The increasing reliance on internet-based programs and applications to conduct transactions and store data also creates increased security risks. Targeted cyber-attacks, or accidental events, can lead to a breach in computer and data systems and access by unauthorized persons to sensitive transactional or personal information. Data taken in breaches may be used by criminals to commit identity theft, obtain loans or payments under false identities, and other crimes. Cybersecurity breaches at PAM or its service providers or counterparties may directly or indirectly affect clients, and could lead to theft, data corruption, interference with business operations, disruption of operational systems, interference with PAM's or a client's ability to execute transactions, direct financial loss or reputational damage, or violations of applicable laws related to data and privacy protection and consumer protection.

Item 9: Disciplinary Information

PAM and its principals have not been the subject of any material legal proceeding required to be disclosed in response to this item.

Item 10: Other Financial Industry Activities and Affiliations

Registered Broker-Dealers

PAM is not registered as a broker-dealer. Vasileios A. Sfyris, W. Heath Hawk and Benjamin T. Eiler are each registered representative of First Southern, LLC, an affiliate of PAM which is registered as a broker-dealer.

Registered Futures Commission Merchants, Commodity Pool Operators and Commodity Trading Advisors

None of PAM or any of its principals or employees are registered as or affiliated with a registered futures commission merchant, commodity pool operator or commodity trading advisor.

Relationships with Related Persons

Under Rule 203A-2(b) of the Advisers Act, PAM is deemed a related adviser with respect to Phorcys Capital Partners, LLC. Additionally, under the SEC's Richard Ellis Doctrine, two or more affiliated advisers may be combined when considering whether each adviser must register under the Advisers Act. For purposes of registration and compliance with the Advisers Act, PAM takes the position that it is deemed operationally integrated with its Integrated Affiliates, each of which is separately registered as an investment adviser with the SEC. PAM does not believe at this time that its affiliation with them creates a material conflict of interest with respect to PAM's clients.

As discussed in the section titled "Participation or Interest in Client Transactions; Personal Trading," PAM and its related persons will be, directly or indirectly, the general partner, trustee, limited partners and/or managing members of the general partner or manager of each of the PAM Funds. PAM and its related persons may spend substantially all of their business time on one or more of the PAM Clients.

Employees of PAM and its affiliates may serve as officers, advisors, directors or in comparable management functions for portfolio companies in which clients of PAM may invest. Employees

or partners of PAM may also from time to time serve on the board of directors or a creditors committee of a portfolio company, or be given access for other reasons to confidential information relating to companies in which clients of PAM may invest. As a result, PAM and the clients of PAM may, under certain circumstances, be prohibited for a period of time from engaging in transactions with respect to the debt or securities of such a portfolio company, which prohibition may have an adverse effect on clients of PAM.

Clients will be subject to a number of actual and potential conflicts of interest involving PAM and its affiliates. When a conflict of interest arises, PAM will endeavor to ensure that it is resolved fairly. PAM has in place policies and procedures that it believes are reasonably designed to identify and resolve actual and potential conflicts of interest.

Selection or Recommendation of Other Advisers

PAM does not recommend or select other investment advisers for its clients or receive compensation from such advisers in a manner that would create a material conflict of interest. PAM does not have other business relationships with other advisers that create a material conflict of interest.

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

Code of Ethics

PAM strives to adhere to the highest industry standards of conduct based on principles of professionalism, integrity, honesty and trust. In seeking to meet these standards, PAM has adopted a Code of Ethics (the “Code”), which is reviewed and updated (if necessary) at least annually. The Code incorporates the following general principles that all employees are expected to uphold: employees must at all times place the interests of clients first; all personal securities transactions must be conducted in a manner consistent with the Code and any actual or potential conflicts of interest or any abuse of an employee’s position of trust and responsibility must be avoided; employees must not take any inappropriate advantage of their positions; and information concerning the identity of securities and financial circumstances of clients and the PAM Clients, including investors in the PAM Funds, must be kept confidential. The Code also places restrictions on personal trades by employees, including requiring that they disclose their personal securities holdings and transactions to PAM on a periodic basis, and requires that employees pre-clear certain types of personal securities transactions.

As part of the Code, PAM maintains insider trading policies and procedures (the “Insider Trading Policies”) that are designed to prevent the misuse of material, non-public information. PAM’s personnel are required to certify to their compliance with the Code, including the Insider Trading Policies, on at least an annual basis.

The Insider Trading Policies prohibit generally PAM and its personnel from trading for the PAM Clients or themselves, or recommend trading, in public securities of a company while in possession of material, non-public information (“Inside Information”) about the company, and from disclosing such information to any person not entitled to receive it. By reason of its various

activities, PAM may have access to Inside Information or be restricted from effecting transactions in certain investments that might otherwise have been initiated. PAM has designed and implemented policies and procedures reasonably designed to closely monitor the access of its investment professionals to Inside Information. Among other things, such policies seek to control and monitor the flow of Inside Information to and within PAM, as well as to prevent trading public securities based on Inside Information.

Notwithstanding such policies and procedures, there may be certain cases where PAM either may receive Inside Information due to its various activities on behalf of itself or the PAM Clients or may be restricted in acting for the PAM Clients. As a result, PAM may, under certain circumstances, be prohibited for a period of time from engaging in transactions with respect to the debt or securities of such a portfolio company, which prohibition may have an adverse effect on a client or the PAM Clients. PAM seeks to minimize those cases whenever possible, consistent with applicable law and our Insider Trading Policies, but there can be no assurance that such efforts will be successful and that such restrictions will not occur.

Clients may request the opportunity to review a copy of the Code by contacting PAM at the address or telephone number listed on the first page of this document.

Participation or Interest in Client Transactions; Personal Trading

PAM may cause one or more of its clients to buy securities from, or sell securities to, other clients of PAM at current market prices, including accounts in which PAM, its principals or employees are investors or in which such persons may have a financial interest, either directly or indirectly, due to the payment of a performance allocation to PAM (or an affiliate) by such client. PAM will only engage in “cross trades” if the sale or purchase is consistent with PAM’s fiduciary obligations to each client. Cross transactions may include rebalancing transactions that are undertaken so that, after withdrawals or contributions have occurred, the portfolio compositions of similarly managed accounts remain substantially similar. PAM has a potentially conflicting division of loyalties and responsibilities regarding both parties to any cross transactions. Where required by applicable law, any such transaction will be approved in advance by the client in accordance with Section 206(3) of the Advisers Act.

On occasion, PAM and its principals and employees may buy and sell securities for themselves that they also recommend to clients. PAM and its principals and employees are investors in some of the investment funds managed by PAM. The Code of Ethics contains policies and procedures designed to prevent improper practices with respect to such transactions, and compliance with the Code of Ethics by PAM, its principals and employees is the primary method employed by PAM to address the conflicts of interest that arise with respect to these transactions. For example, the principals and employees of PAM are generally not permitted to execute a personal securities transaction if any client of PAM has a position in the same security.

In certain situations, related persons of PAM may purchase interests in portfolio investments held by one or more PAM Clients. All such purchases are subject to compliance with PAM’s Code of Ethics as described above. In addition, PAM and/or certain members or employees of PAM may, directly or through one or more entities, sell securities in which they have a direct or indirect ownership interest to certain PAM Clients, provided that the sale is consistent with PAM’s

fiduciary obligations to the PAM Clients. Such transactions will be fully disclosed in writing, and where required by applicable law, the written consent of the appropriate client will be obtained in accordance with Section 206(3) of the Advisers Act.

Item 12: Brokerage Practices

Subject to the investment objectives, policies and restrictions of each PAM Client as set forth in such PAM Fund's Governing Documents or its advisory agreement for a separately managed account, PAM has discretionary authority to determine the type, amount, and price of securities and investments to be bought and sold on behalf of most PAM Clients, including the selection of, and commissions paid to, brokers.

In selecting broker-dealers to effect securities transactions, PAM seeks to obtain best execution by considering such factors as price, transaction costs, a broker's or dealer's ability to effect the transactions, its facilities, reliability and financial responsibility, commitment of capital and the provision or payment by the broker of the costs of research and research-related services which are of benefit to PAM or the PAM Clients, as well such other factors as PAM considers relevant and beneficial to the PAM Clients. PAM may consider referrals of PAM Fund investors in determining its selection of brokers. Accordingly, the commission rates (or dealer markups and markdowns arising in connection with riskless principal transactions) charged to the PAM Clients by brokers or dealers in the foregoing circumstances may be higher than those charged by other brokers or dealers that may not offer such services.

Brokerage for Client Referrals

PAM does not consider whether PAM or any of its affiliates receives referrals from any broker-dealer when selecting or recommending broker-dealers for its clients.

Research and Other Soft Dollar Benefits

Section 28(e) of the Securities Exchange Act of 1934 (the "Exchange Act") provides a safe harbor that permits advisers, when selecting brokers to execute transactions for client accounts, to take into account certain research products and services provided to the adviser by brokers. Clients may pay higher commissions than are obtainable from other brokers as a result of the consideration of research services as a factor in selecting brokers in addition to commission cost and best execution, provided that PAM determines in good faith that the amount of commissions charged is reasonable in relation to the value of the brokerage and research services provided by such broker. Research services provided to PAM by brokers may include written information and analyses concerning specific securities, companies or sectors; market, financial and economic studies and forecasts; statistics and pricing services; and discussions with research personnel. PAM does not currently engage in any soft dollar arrangements in which PAM receives third-party services. However, consistent with obtaining best execution for clients, PAM may in the future engage in such soft dollar arrangements, provided that such arrangements are of the type described in Section 28(e) of the Exchange Act and are designed to augment PAM's own internal research and investment strategy capabilities.

Receipt of research services from brokers may provide PAM with a benefit because it will not have to produce or pay for the research, products or services. PAM may have an incentive to select a broker-dealer based on its interest in receiving the research or other products or services, rather than on a client's interest in receiving most favorable execution.

Research services obtained with the use of commissions arising from portfolio transactions may be used by PAM in its investment activities for all of its clients, and, therefore, any particular client may or may not, in any particular instance, be the direct or indirect beneficiary of the research or services provided.

Subject to the considerations described above, the selection of a broker, including a prime broker, to execute transactions, provide financing and securities on loan, hold cash and short balances and provide other services may be influenced by, among other things, the provision by the broker of the following: capital introduction, marketing assistance and consulting services with respect to technology, operations, commitment of capital, access to company management, and access to deal flow. Generally, neither PAM nor any client of PAM (including the PAM Funds) separately compensates any broker for any of these other services. In view of the fact that the investment programs of PAM clients include trading as well as investments, short-term market considerations will frequently be involved, and the turnover rate of the portfolios of the PAM Clients in certain circumstances may be substantially greater than the turnover rates of other types of investment vehicles.

Directed Brokerage

Pursuant to the sub-advisory agreement between PAM and the adviser to the Sub-advised Account, transactions on behalf of the Sub-advised Account will be executed through First Southern, LLC, an affiliate of PAM. Not all advisers require their clients to direct brokerage. PAM does not believe that the relationship between PAM and First Southern, LLC creates a material conflict of interest. PAM does not have any other arrangements with clients that require PAM to execute transactions through a specified broker-dealer, but certain other sub-advisory clients may from time to time direct PAM to use or not to use a particular executing broker-dealer to execute transactions for such clients. In the event that PAM is directed to use, or prohibited from using, a specific broker-dealer, the client may pay higher brokerage commissions because PAM may not be able to aggregate orders to reduce transaction costs, and the client may receive less favorable prices.

Trade Aggregation

When it is determined that it would be appropriate for any PAM Clients to participate in an investment opportunity, PAM will seek to execute orders for all of the participating investment accounts on an equitable basis, taking into account such factors as the relative amounts of capital available for new investments, relative exposure to short-term market trends and the investment programs and portfolio positions of the applicable PAM Clients for which participation is appropriate. However, PAM has no obligation to obtain any particular investment opportunity for any particular PAM Client, and PAM may be precluded from offering to certain PAM Clients particular securities in certain situations, including where PAM or its affiliates have a prior contractual commitment with other accounts or clients. Orders may be combined for all such

accounts, and if any order is not filled at the same price, they may be allocated on an average price basis. Similarly, if an order on behalf of more than one account cannot be fully executed under prevailing market conditions, securities may be allocated among the different accounts on a basis which PAM or its affiliates considers equitable. There is no assurance that the PAM Clients will hold the same investments or perform in a substantially similar manner as other PAM Clients with similar strategies.

Item 13: Review of Accounts

Review of Client Accounts

A client's separately managed account is reviewed on a daily basis to ensure that all trading activity is performed in accordance with the investment parameters as defined in the client's investment management agreement. Daily reconciliations of all trading activity as well as cash, collateral and margin management (if applicable) among PAM, the broker-dealer and the administrator also occurs. Such reviews are conducted by PAM's investment professionals. Among other criteria, the portfolios are reviewed in the context of each PAM Fund's adherence to the investment objectives and guidelines as set forth in the Governing Documents of each PAM Fund.

Reports to Clients

Investors in the PAM Funds are expected to receive either monthly or quarterly written reports, although PAM may provide certain investors with information on a more frequent and detailed basis if agreed to by PAM. In addition, each PAM Fund will issue tax reports and audited financial statements to investors within 120 days of its fiscal year-end. Other clients of PAM will receive such reports as are specified in such client's investment management agreement.

Investors should refer to the Governing Documents of each PAM Fund for further information on the reports provided by a particular PAM Fund to its investors.

Item 14: Client Referrals and Other Compensation

Economic Benefits Received from Third Parties

PAM is compensated exclusively by its clients and investors for providing investment advice.

Third Party Compensation for Client Referrals

PAM or its affiliates have and may enter into arrangements with unaffiliated placement agents or third parties whereby PAM or its affiliates will pay to third parties who introduce clients or investors in the PAM Funds to PAM or its affiliates a portion of the management fees or incentive compensation received by PAM or its affiliate from such clients or with respect to such investors' investment in a PAM Fund. Any sales charge associated therewith will ultimately be payable by PAM or its related persons, either directly or through an offset of the management fee or incentive compensation payable by the relevant client or PAM Fund to PAM. Such arrangements will be disclosed to PAM's clients in accordance with, and otherwise comply with, Rule 206(4)-3 under the Advisers Act to the extent applicable. Certain third parties may be affiliates of PAM.

Item 15: Custody

PAM will not have physical custody of any client assets. PAM may be deemed to have custody of the assets of the PAM Funds and their subsidiaries as a result of its authority over the PAM Funds and their subsidiaries.

It is PAM's policy to cause each PAM Fund with assets over which PAM is deemed to have "custody" to be audited annually and distribute audited financial statements, prepared in accordance with U.S. generally accepted accounting principles, to investors no later than 120 days after the end of each fiscal year.

All assets in the accounts of PAM clients will be held by a qualified custodian, except that certain privately offered, uncertificated securities may be recorded on the books of the issuer or its transfer agent in the name of the relevant PAM Client or client and are not required to be maintained with a qualified custodian.

Item 16: Investment Discretion

As noted above, PAM does not have discretionary authority with respect to the Sub-advised Account. Subject to the investment objectives, policies and restrictions of each PAM Fund as set forth in the Governing Documents of such PAM Fund, PAM will generally have discretionary authority to determine the type, amount and price of securities and investments to be bought and sold on behalf of each PAM Fund for which it serves as investment manager, including the selection of, and commissions paid to, broker-dealers. PAM will generally enter into a written investment management agreement with each client granting such discretionary authority.

Item 17: Voting Client Securities

Because PAM has, or will accept, authority to vote securities held by a PAM Fund, it has adopted policies and procedures that have been designed to ensure that PAM complies with the requirements of Rule 206(4)-6 and Rule 204-2(c)(2) under the Advisers Act, and reflect PAM's commitment to vote all client securities for which it exercises voting authority in a manner consistent with the best interest of the client.

PAM's general policy is to vote proxy proposals, amendments, consents or resolutions relating to client securities (collectively, "proxies"), in a manner that serves the best interests of the PAM Funds, as determined by PAM in its discretion, taking into account the following factors: (i) the impact on the value of the investments; (ii) the anticipated associated costs and benefits; (iii) the continued or increased availability of portfolio information; and (iv) industry and business practices. In limited circumstances, PAM may refrain from voting proxies where PAM believes that voting would be inappropriate taking into consideration the cost of voting the proxy and the anticipated benefit to the PAM Funds. In general, clients may not direct PAM's vote with respect to a particular proxy solicitation. However, as discussed below, in the event PAM determines that a material conflict of interest exists with respect to a particular proxy solicitation, PAM may, but is not required to, defer to a client's voting instructions with respect to such proxy solicitation.

Prior to exercising its voting authority, if any, PAM reviews the relevant facts and determines whether or not a material conflict of interest may arise due to business, personal or family

relationships of PAM, its owners, its employees or its related persons, with persons having an interest in the outcome of the vote. If a material conflict exists, PAM takes steps to ensure that its voting decision is based on the best interests of the client and is not a product of the conflict. PAM may, at its discretion, disclose the conflict of interest to the client and defer to the client's voting recommendation, defer to the voting recommendation of an independent third party provider of proxy voting services, or take any other action which would serve the best interest of the client. Depending on the particular circumstances involved, the appropriate resolution of one conflict of interest may differ from the resolution of another conflict of interest, even though the general facts underlying both conflicts may be similar or identical. PAM will deliver to each client upon written request a complete copy of its proxy voting policies and/or information on how it voted proxies for the applicable PAM Fund.

Item 18: Financial Information

Not Applicable.