

***Item 1. Cover Page***



***Form ADV Part 2A***

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March, March 16, 2023

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***This brochure provides information about the qualifications and business practices of Acuitas Investments, LLC. If you have any questions about the contents of this brochure, please contact us at the telephone number or email address listed above. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority. Registration with the SEC or with any state securities authority does not imply a certain level of skill or training.***

***Additional information about Acuitas Investments, LLC is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).***

***Item 2. Material Changes***

Since our last firm brochure dated March 2022, we have the following material changes to report: Our separate account fee schedule has been updated for our Microcap and Emerging Markets Small Cap mandates. These changes can be found in Item 5: Fees and Compensation.

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

Acuitas Investments, LLC (“Acuitas” or the “Adviser”) is primarily owned and controlled by Christopher D. Tessin and Dennis W. Jensen. Less than 20% of the firm is owned by non-operating external partners. The company was formed in January 2011.

Acuitas is an investment adviser specializing in global small cap and microcap investing. Our primary business is managing multi-manager strategies that are invested in global microcap and small cap securities. Acuitas is the investment adviser of the Acuitas U.S. Microcap Fund, (“the Mutual Fund”) an open-end mutual fund managed under the Forum Funds II Series Trust, a Series Trust registered under the Investment Company Act. Acuitas is the investment adviser of Acuitas Long/Short Fund, LP and Acuitas Emerging Markets Small Cap Fund, LP (collectively “the Funds”), each a private investment limited partnership formed in Delaware. Acuitas also provides discretionary investment advice to other separately managed accounts for which we employ similar strategies as those employed for the Funds and Mutual Fund.

Currently, for the Funds, Mutual Fund and separately managed accounts, Acuitas selects and monitors other independent investment advisers (“subadvisers”) who purchase and sell securities for each client’s account. The subadvisers are generally retained through a contractual sub-advisory relationship with us.

Additional detail on the Funds’ investment strategies, and the terms and conditions on which we privately offer ownership interests to eligible investors are described in a current Private Placement Memorandum (“PPM”) for each Fund, which is provided to all prospective investors of the Funds. Information in this brochure summarizes certain disclosures in the PPMs. A prospective Fund investor is urged to rely on the fuller descriptions in the Funds’ PPMs, and to contact Acuitas with any questions about the disclosures in the Funds’ PPMs or this brochure.

The Mutual Fund is managed in accordance with its investment objectives. Information about the Mutual Fund is provided in the prospectus and statement of additional information, which are available on the SEC’s website at [www.sec.gov](http://www.sec.gov) or on Acuitas’ website at [www.acuitasfunds.com](http://www.acuitasfunds.com).

In servicing our clients, Acuitas takes into account the investment objectives, restrictions and guidelines of each client. However, for the Funds and Mutual Fund, advisory services for each client are not tailored to the individual needs of the investors. Investors in these products may not impose restrictions on Acuitas with respect to the investments we make on behalf of our clients. The investment strategy is defined in the PPMs for the Funds and prospectus for the Mutual Fund.

See also the section entitled “Methods of Analysis, Investment Strategies and Risk of Loss” in this brochure.

As of December 31, 2022, Acuitas managed \$818,148,415 in discretionary assets.

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

Acuitas charges a management fee based upon a percentage of assets under management. Fees are negotiable and subject to a number of factors, including, but not limited to, the amount of assets to be managed, asset class mandate, complexity of the client relationship, complexity of the client's investment objective and pre-existing contractual commitments. The specific fees charged by Acuitas are set forth in either the client's investment advisory agreement, prospectus or subscription agreement. Acuitas will also accommodate client requests for performance-based fee structures. See also the section of this brochure entitled "Performance-Based Fees and Side-By-Side Management," which describes certain conflicts of interest inherent in performance-based compensation arrangements.

Generally, for separate account clients the fees are as follows:

- **Microcap** – 1.10%
- **International Small Cap** – 1.10%
- **Emerging Markets Small Cap** – 1.10%
- **Long/Short** – 0.50% annual rate with a 10% performance allocation

Fees for the limited partnership Funds are as follows:

- **Long/Short** – 0.5% annual rate with a 10% performance allocation
- **Emerging Markets Small Cap** – 0.8% annual rate

Advisory fees and expense-related information for the Mutual Fund can be found in the current prospectus.

Fees will be billed in advance or arrears, as noted in the client agreement, using custodian market values and will exclude any amounts known to be invested in the Acuitas Mutual Fund. The separately managed accounts will be invoiced directly. Any fees unearned will be either pro-rated or refunded in the event a client withdraws. Fees for the Funds and Mutual Fund are included in the gross expenses of the Funds or Mutual Fund and paid directly from the Funds or Mutual Fund to the Adviser.

The management fees paid to Acuitas typically include the fee charged by the subadviser.

The Funds bear expenses associated with their investment activities and operations and certain other expenses, which may include but are not limited to brokerage commissions; banking and custody charges; interest and fees relating to borrowing; withholding taxes; expenses of research and data collection and analysis; costs of communicating with Limited Partners; legal, accounting, auditing, Fund organizational expenses (but not Acuitas' organizational expenses); and expenses incurred in the offering and sale of ownership interests in the Funds.

Acuitas' Investment Adviser Representatives ("IARs") are licensed as agents with a mutual fund distributor. In such capacity, the IARs may discuss and offer Acuitas-managed mutual

funds to potential clients. This practice could present a conflict of interest and as it could give our IARs an incentive to recommend investment products based on the management fee Acuitas receives, rather than on a client's needs. The IARs do not receive direct commissions for discussing and recommending the mutual fund.

Acuitas bears organizational costs and overhead costs associated with operating the investment advisory business, including office space, utilities and compensation of personnel.

Investors within the Mutual Fund will be responsible for a portion of the operating expenses of the Mutual Fund in which they are invested.

Clients may be charged fees in addition to the management fee paid to Acuitas. This can include brokerage commissions and other custodian fees.

***Item 6. Performance-Based Fees and Side-By-Side Management***

Currently, Acuitas may receive a performance-based fee from the Funds. It is charged annually and is based on each Limited Partner's share of net realized and unrealized appreciation on the value of Fund assets for the fiscal year, after subtracting Management Fees paid by the Limited Partner and after offsetting any net depreciation allocated to the Limited Partner's Capital Account and carried forward from prior fiscal years, details of which can be found in each Fund's PPM.

Acuitas believes the performance-based fees paid to the General Partner can better align the interests of the investors and the Adviser. However, the potential to receive performance-based fees can create a motive for Acuitas to make riskier investments for the Funds and provide preferential treatment to the Funds since there is an incentive to receive additional fees. However, this is mitigated due to the fact that Acuitas selects other managers to manage and trade for the Funds.

The subadvisers engaged to manage assets may receive performance-based compensation. In any performance-based compensation arrangement, an investor should understand that the prospect of increased compensation for strong performance could induce the subadviser to recommend investments that are unreasonably risky because the subadviser believes the investment has a prospect of achieving substantial gains that will generate higher performance-based compensation.

Because the subadvisers are responsible for all buy and sell decisions for individual securities, Acuitas' fee arrangement with the various clients will have no impact on portfolio decisions. Manager selection will be based on the desired risk and return characteristics outlined in the respective investment management agreement or PPM. Manager selection may vary for similar mandates due to timing of funding, manager capacity, assets under management or other parameters.

## ***Item 7. Types of Clients***

Acuitas provides investment management services to limited partnerships, mutual funds and separate account clients, including profit sharing plans and state and municipal government entities.

The Funds' PPMs specify investor eligibility requirements and minimum investment levels for investors in the Funds. The Funds presently require a minimum initial investment of \$250,000, though Acuitas has discretion to reduce this minimum for any Limited Partner. Subsequent investments may be made in minimum amounts of \$100,000. In general, a Fund investor must be an "accredited investor" and a "qualified client," as those terms are defined in the SEC regulations specified in the Funds' PPMs. The Subscription Agreement executed by each Fund investor states in detail the several categories of "accredited investor" and "qualified client" under those definitions, and requires the investor to qualify for both in order to invest.

For the Mutual Fund, clients can be individuals or institutions. Minimum initial investments and additional investments for the Mutual Fund are \$2,500 and \$100 for Investor Shares and \$10,000 and \$100 for Institutional Shares, respectively. Please note that Acuitas is not currently offering Investor Shares for purchase although we may choose to do so in the future.

The minimum for separately managed accounts is generally \$10 million, but is negotiable and considered on a case by case basis.

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

Investing in securities involves risk of loss that clients should be prepared to bear.

### **Investment Objective**

The primary objective for all clients is the long-term growth of invested capital. Acuitas will seek to outperform the accounts' respective benchmarks by investing account assets in multiple pooled vehicles or separately managed accounts managed by unaffiliated investment advisers. Manager selections will be driven by Acuitas' research and selection process, which seeks to identify investment managers that are likely to outperform their respective benchmarks over a long time horizon.

### **Investment Strategies**

Acuitas offers investment management and advisory services in the following strategies:

- **Microcap** – The Acuitas Microcap strategy uses a multi-manager approach focused on domestic microcap equities. Acuitas generally considers U.S. microcap to include those companies represented in the Russell Microcap Index which the

strategy uses as a benchmark. We seek to remain invested down the market capitalization spectrum to take greatest advantage of market inefficiencies.

- **International Small Cap** – The Acuitas International Small Cap strategy uses a multi-manager approach focused on non-U.S. small cap and microcap equities. This is a global product with a moderate exposure to emerging markets. We benchmark our product versus the FTSE Global Small Cap ex U.S. Index. Portfolios include allocations to international microcap to capitalize on what we feel is an area with even greater inefficiency.
- **Emerging Markets Small Cap** – The Acuitas Emerging Markets Small Cap strategy uses a multi-manager approach focused on small cap and microcap equities in emerging markets. We benchmark our product versus the FTSE Small Cap Emerging Index. Portfolios include allocations to equities in frontier markets to capitalize on what we feel is an area with even greater inefficiency.
- **Long/Short Equity** – The Acuitas Long/Short Equity strategy is a multi-manager, absolute return process focused on small and microcap equities, globally. While this strategy is not benchmarked to a traditional long-only market capitalization weighted index, market capitalization criteria for the strategy is generally consistent with Russell's global suite of small and microcap indexes.

## **Investment Philosophy**

**Inefficient Market.** Acuitas focuses on microcap and small cap segments of the equity markets because we believe they are the least efficient market segments and offer the best opportunities for excess return above the relevant benchmarks. These are the areas in which skilled investment managers should have the greatest ability to demonstrate exceptional stock selection skills.

**Research.** The core of Acuitas' investment process is our manager research. The manager research process is driven by a combination of fundamental and quantitative analysis. The initial goal of the research process is to understand the underlying investment manager's investment process as thoroughly as possible. To achieve this, Acuitas gathers and reviews information about the manager's firm, investment team, and investment process.

Once we have identified an investment product of interest, Acuitas' investment professionals visit the firm's offices to learn more about the team and process. Onsite meetings are supplemented by analysis of the manager's portfolio holdings, review and analysis of its performance patterns, and further fundamental research. If Acuitas is able to generate a high level of confidence in the firm's investment strategy and team, the investment product will be considered for inclusion in the Mutual Fund, the Funds or separate accounts. The primary consideration is Acuitas' confidence in the likelihood the product will outperform its benchmark over five or more years. As a general guide, the Acuitas investment team is able to build enough confidence to invest with about ten percent of the managers we follow closely.



**Idea Generation.** New idea generation is an important part of Acuitas' investment process. We are proactive at searching for new investment products that could be candidates for investment. New products can be identified in a variety of ways, including new startup companies, existing managers starting new products, or from databases or referrals. Often new microcap and small cap products are managed by investment teams with which Acuitas has been familiar in the past through research of other firms or products.

**Portfolio Construction.** Acuitas seeks to minimize investment risk and volatility by placing assets with multiple managers. During the research process, we develop a strong fundamental understanding of the underlying manager's investment process, what types of stocks the portfolios are likely to be invested in, and in what markets the portfolio would be likely to perform well or poorly. For example, investment managers that use a high growth strategy are likely to outperform their benchmarks at different times than investment managers who focus on stocks selling at low valuations. This process gives us insight into combinations of products that should be most complementary and offer the most diversification benefits. Acuitas' investment professionals combine multiple products into portfolios that we believe will minimize the portfolio's risk while preserving its opportunity for excess return. Acuitas anticipates that accounts will contain a combination of value, growth, and core products. Acuitas' ability to outperform our benchmarks is expected to result from the underlying managers' stock selection skills. Accordingly, we do not emphasize factors such as style, market capitalization, or other factors that we believe are not significant over the long run. Our goal is to diversify portfolios so that they resemble their respective benchmarks on these dimensions, while capitalizing on the underlying managers' stock selection skill.

**Quantitative and Performance Analysis.** Acuitas uses quantitative analytical tools to supplement our fundamental research. These tools allow our investment professionals to improve their understanding of an investment manager's process and portfolios. The quantitative research includes analysis of current portfolios' risks, how well different investment products complement one another, and what historical return patterns have been experienced. This perspective helps us to improve our understanding of risk characteristics and return patterns expected in the future, thereby improving portfolio construction. Quantitative analysis also helps Acuitas' professionals verify that an underlying investment manager is following its processes and taking reasonable risks given its investment processes. While understanding past performance patterns is a critical component of our process, and can help to develop future expectations, past performance is not a primary driver of our confidence in a manager's ability to outperform in the future. Performance patterns are typically cyclical, and it may be the case that the managers who have struggled most recently will be best positioned to outperform in the future.

**Monitoring and Upgrading.** Acuitas will be responsible for ongoing monitoring and research of the investment managers we have selected to manage client assets. Acuitas will focus on ensuring that client assets stay invested with managers in whom we have high confidence, and in products that offer the best opportunity for success. Acuitas professionals will be in frequent contact with the underlying managers, including onsite meetings with the managers' investment teams, to help ensure their competitive advantages

remain intact. In addition, Acuitas will collect and analyze portfolio holdings and monitor risk exposures to analyze whether the portfolios are being invested in a manner consistent with our expectations. Acuitas professionals will diligently look for ways to improve the risk/reward characteristics of client portfolios.

### **Material Risks**

Acuitas pursues the investment strategies described above, however, the investment parameters for each respective Fund, Mutual Fund or separate account will be outlined in more detail in their respective PPM, prospectus or investment management agreement.

Although Acuitas makes every effort to preserve each separate account's, Fund's and Mutual Fund's capital and achieve real growth of wealth, investing in the stock markets involves risk of loss that each client should be prepared to bear. Separate account, Fund, and Mutual Fund accounts may be exposed to, among others, the following risk factors:

### ***General Risks***

- **Multi-Manager Risk.** Acuitas has broad discretion in selecting managers and in developing a risk profile for our portfolios. Acuitas may develop a risk profile that results in selection of managers whose strategies prove unsuccessful.
- **Selection of Managers.** Acuitas conducts due diligence to select managers with which to invest assets. However, due diligence does not assure success in selection of managers or their performance and may not uncover problems associated with a particular manager. Acuitas may rely upon representations made by managers or other investment professionals. If representations upon which we rely are misleading, incomplete or false, Acuitas may select managers which we otherwise might have eliminated from consideration if we had received fully accurate and complete information.
- **Access to Managers.** Although Acuitas may want to invest with a particular manager, reasons beyond our control may prevent us from investing. For example, individual separate accounts, Funds or our Mutual Fund may not gain access to or invest with a desired manager because the account does not meet eligibility or minimum investment requirements or the manager is not accepting additional investors at the time.
- **Account Valuations.** In computing the asset value of our portfolios, Acuitas places a substantial degree of reliance on the accuracy of the valuations and performance results received from the account custodians or other external sources. In some cases, Acuitas will not have access to sufficient information about specific securities held in portfolios to verify such valuations and performance results.
- **Diversification.** Although each account has diversification objectives, at times Acuitas may invest with a limited number of managers, especially if the amount of money invested in the account is relatively small at the time. A portfolio invested

in a limited number of managers may be subject to greater volatility than a portfolio invested with a larger number of managers.

Acuitas is not tied to a fixed allocation scheme but may allocate the portfolios among the managers in whatever manner Acuitas determines is most likely to achieve the account's objectives, and the managers we select may in turn have substantial discretion to allocate and reallocate assets among portfolio investments. There is a risk that Acuitas and/or the managers will, directly or indirectly, commit a disproportionate share of the separate account's, Fund's or Mutual Fund's assets to a few investment strategies.

### ***Manager Operational Risks***

- **Limits of Company Control.** Acuitas selects and monitors managers but does not make trading decisions. Our success will depend upon the expertise and judgment of the underlying managers who manage the investment funds and separate accounts in which Acuitas invests.
- **Strategies of Managers.** A manager may employ differing trading strategies for several of the manager's clients. Acuitas' clients may not achieve the most favorable results with any manager. It is possible that separate account, Fund or Mutual Fund accounts may experience poor returns on investments generally.
- **Performance-Based Compensation to Managers; Layering of Fees.** The fee arrangements with managers generally provide that the manager will receive a minimum fee calculated as a percentage of assets under management. Some fee arrangements also may provide that the manager will receive some portion of the appreciation, including unrealized appreciation, in the value of the account or Fund being managed. In such arrangements, the manager may suffer no penalty for realized losses or decreases in the value of the account or Fund. Generally, the manager's compensation is determined separately for each year or shorter fee computation period. Performance-based fee arrangements often (though not always) carry forward losses to subsequent years in determining the fee for those years – so-called “high water mark” structures. Those fee arrangements may give the managers an incentive to make purchases that are unduly risky or more speculative than would be the case in the absence of such performance-based compensation arrangements, in order to restore the manager to a profit sharing position. It is also possible that incentive fees may be paid to managers that show net profit even though the Fund, as a whole, incurs a net loss.

In addition to the fees charged by managers with whom assets are invested, compensation is payable to Acuitas as described under “Fees and Expenses.” Acuitas' asset-based compensation is payable regardless of the profitability of the Funds' operations.

The various fees result in a layering that reduces the rate of return that investors can expect to derive from the Fund's investments.

Performance based fee arrangements do not apply to the Mutual Fund.

### ***Investment and Trading Risks in General***

- **Equity Risk.** Equity holdings, including common stocks may decline in value because of changes in prices of a particular holding or a broad stock market decline. These fluctuations could be a drastic movement or a sustained trend. The value of a security may decline for a number of reasons that directly relate to the issuer of a security, such as management performance, financial leverage and reduced demand for the issuer's goods or services, or broader economic or market events, including changes in interest rates. Common stocks in general are subject to the risk of an issuer liquidating or declaring bankruptcy, in which case the claims of owners of the issuer's debt securities and preferred stock take precedence over the claims of common stockholders.
- **Loss of Capital.** All investments risk the loss of capital. Acuitas does not guarantee or represent that our investment strategies will be successful. Investment results may vary substantially over time.
- **Investment in Foreign Securities.** Investment in foreign securities may involve greater risk than investment in domestic securities due to political considerations, currency controls, the fluctuation of currency exchange rates, foreign taxation, illiquidity of foreign securities markets, unique foreign regulations applicable to such securities, difficulty in enforcing contractual obligations, less government supervision of foreign brokers and custodians, lack of uniform accounting and auditing standards and certain other factors.
- **Emerging Markets Risk.** Investments in emerging markets present greater risks than investing in foreign issuers in general. The risk of political or social upheaval is typically greater. Inflation and rapid fluctuations in inflation rates have had, and may continue to have, negative effects on the economies and markets of certain emerging market countries. A relative lack of information about companies in emerging markets may also exist. Securities traded on emerging markets are potentially illiquid and may be subject to volatility and high transactions costs.
- **Futures Contracts.** Acuitas does use futures contracts to provide equity exposure for some portfolios' cash reserves. Underlying managers may use futures in the Long/Short Fund as well. Prices of futures can be highly volatile. Among other factors, changing supply and demand relationships, domestic and foreign governmental programs and policies and national and international political and economic events all influence price movements of futures contracts.
- **Small and Microcap Company Risk.** Investments in small and micro capitalization companies may be less liquid and their securities' prices may

fluctuate more than those of larger, more established companies. These factors could adversely affect the ability to sell such securities at a desirable time and price.

- **Exchange Traded Funds Risk.** An investment in an ETF involves substantially the same risks as investing directly in the underlying securities. An ETF may not achieve its investment objective or execute its investment strategy effectively, which may adversely affect performance. ETFs bear fees and expenses and may trade at a premium or discount to the net asset value of its portfolio securities.
- **Leverage.** The Long/Short strategy may utilize leverage by borrowing on margin, entering into swaps and other derivative contracts and other leveraging strategies. Such leverage increases the risk of loss and volatility. As a result, a relatively small price movement in a security may result in immediate and substantial losses to an investor.
- **Options and Other Derivatives.** The Long/Short strategy may invest in exchange-traded and over-the-counter derivatives, including futures and other commodity interest, swaps, options and contracts for differences. These instruments can be highly volatile and expose the investor to a high risk of loss.
- **Limited Liquidity of Investments.** Some strategies may invest in securities that are thinly traded and relatively illiquid. In such cases, the subadviser may not be able to liquidate its investments promptly or it may have to sell them at far less than it believes they are worth. Typically, investments in illiquid securities will be well under 15% of any portfolio.

Investors for the Funds should refer to each Fund's PPM for more information on risks associated with investing in the Funds.

#### ***Item 9. Disciplinary Information***

There have been no disciplinary actions against Acuitas or any employees of Acuitas.

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

Other than as described in the section of this brochure entitled "Advisory Business," we have no arrangement under which Acuitas or a related person recommends or selects other investment advisers for our clients.

Acuitas is the investment adviser to the Acuitas U.S. Microcap Fund, an open-end mutual fund managed under the Forum Funds II Series Trust, a Series Trust registered under the investment company act. Acuitas has no arrangement under which Acuitas or a related

person receives compensation directly or indirectly from other investment advisers for referring the Mutual Fund or other Acuitas clients.

Chris Tessin, Dennis Jensen, Christa Maxwell and Lisa Thenell, all full-time employees of Acuitas, are currently registered representatives of an unaffiliated broker-dealer, Foreside Fund Services, LLC.

Acuitas has no affiliates.

Acuitas does not receive additional compensation for selecting subadvisers to manage all or a portion of account assets.

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

Acuitas feels strongly that our personnel should conduct themselves with integrity and dignity in their dealings with the public, clients, employers, employees and consultants. For this reason, Acuitas has adopted a Code of Ethics in accordance with Rule 204A-1 of the Investments Advisers Act and 17j-1 of the Investment Company Act that covers several important subjects, beginning with Acuitas' fiduciary duty and duty of loyalty to our clients. The Code applies to all employees of Acuitas and others (such as temporary personnel or consultants) as deemed appropriate by Acuitas' Chief Compliance Officer.

While Acuitas believes that individuals may invest for their own accounts, we consider it even more important that advisory personnel avoid conflicts of interest (or even the appearance of conflict) between our clients' and our own securities transactions. Accordingly, the Code of Ethics covers a broad range of securities transactions. The Code imposes limits on personal securities trading and includes sanctions for violations of trading restrictions. The Code of Ethics also includes a strict prohibition against insider trading. In connection with most restrictions or affirmative obligations, the Code of Ethics includes examples so that Acuitas personnel will be better prepared to recognize and avoid situations in which a conflict of interest may arise that could be detrimental to Acuitas clients.

Acuitas may promote the U.S. Microcap Mutual Fund or other pooled investment vehicles for which we act as adviser to certain separate account clients or prospects on a fully disclosed basis. Because of the relationship between Acuitas and any fund or pooled vehicle that Acuitas advises, we could be considered to have recommended the investment as suitable for a separate account client if such client should invest in the vehicle. Acuitas will inform each client of its relationship with an Acuitas managed fund prior to the client's investment but does not intend to advise its separate account clients as to the appropriateness of the investment and will not receive any compensation for doing so or for selling interests in an Acuitas Fund or Mutual Fund (except to the extent that Acuitas receives fees from that Fund or Mutual Fund).

Acuitas will deliver a copy of our Code of Ethics to any actual or prospective investor or client, on request and without charge.

***Item 12. Brokerage Practices***

With respect to client assets invested in securities through separate accounts or other private investment vehicles with subadvisers, Acuitas will not be in a position to control or influence the brokerage practices observed by the subadvisers. In such circumstances, the subadvisers will be following their practices as it relates to brokerage selection and best execution.

As a matter of policy and practice, Acuitas conducts initial and on-going due diligence on the subadvisers' policies, procedures and practices regarding soft dollars, best execution and trade allocation. Acuitas seeks to ensure that each subadviser complies with federal securities regulations and observes best practices.

Acuitas does not engage in soft dollar arrangements for our own benefit as we do not currently conduct trading on behalf of clients, other than very limited futures trading.

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

Reviews of the portfolios are conducted on a daily basis, and at least quarterly are reviewed in greater depth by members of Acuitas' four-person investment team. All reviews are undertaken to determine whether the portfolios reflect the investment strategies, restrictions and policies stated in the client agreements.

Acuitas will provide written quarterly reports to clients that will detail account value, quarterly returns, benchmark returns, and a brief discussion of the account's performance. Additional information may be provided upon request and will be described in more detail in clients' investment management agreements.

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

Acuitas does not receive monetary benefit from anyone who is not a client for providing investment advice or other advisory services to our clients. In addition, Acuitas does not pay directly or indirectly compensation to a third party for client referrals or solicitation.

***Item 15. Custody***

Acuitas does not have physical custody of client assets, however in our capacity as General Partner to the Funds we are deemed to have custody. Therefore, the Funds are audited by an independent accounting firm that is both registered and subject to PCAOB regulation. These audited financials are provided to the investors of the Funds within 120 days of the Funds' fiscal year-end. Clients should review these statements carefully.

Separate account clients should receive at least quarterly account statements from the qualified custodian that holds and maintains the client's investment assets. Acuitas urges its clients to carefully review such statements and compare such official custodial records to the account statements provided by Acuitas as described in Item 13 above. Acuitas' statements may vary from custodial statements based on accounting procedures, reporting dates or valuation methodologies of certain securities. You should contact us immediately if you do not receive account statements from your custodian on at least a quarterly basis.

***Item 16. Investment Discretion***

Acuitas receives discretionary authority from separate account clients at the outset of the relationship through the execution of an investment management agreement. Discretionary authority will be exercised in a manner consistent with the stated investment objectives for each client. Investment guidelines and restrictions must be provided in writing prior to the funding of the account.

For the Mutual Fund, the investment discretion is outlined in the prospectus.

Under the Funds' Limited Partnership Agreements, each Fund investor grants Acuitas unrestricted discretion to make all investment decisions concerning Fund assets, and grants Acuitas a power of attorney to facilitate our exercise of this discretionary authority.

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

With respect to Fund, Mutual Fund and separate account assets invested in stocks or other securities through separate accounts or other private investment vehicles managed by subadvisers, Acuitas intends to grant proxy voting authority to the subadvisers.

To the extent that Acuitas instead invests Fund, Mutual Fund or client assets directly in stocks or other securities as to which proxies are solicited, Acuitas will vote proxies in the best interest of the Fund and Mutual Fund investors or clients. Proxy voting procedures are outlined in detail in our Compliance Manual, prospectus or Limited Partnership Agreement. Acuitas' Proxy Voting Policies and Procedures require us to review incoming proxy solicitations promptly, in part to determine whether a potential conflict exists



between the interests of the client and those of Acuitas. If a conflict of interest is determined to exist, Acuitas will vote the securities as we would vote them if only the client's interests were being considered.

Under the Funds' Limited Partnership Agreements, Acuitas has discretion to invest Fund assets in other private investment funds managed by unaffiliated advisers. If Acuitas exercises such discretion, to the limited extent that investors in the underlying private investment funds in which the Fund invests are permitted to vote on matters under the limited partnership agreement or similar document governing the Fund's investment in those underlying funds, Acuitas has full discretion to vote on behalf of the Fund. Acuitas will keep records of our votes on any such matters for at least seven years after the end of the fiscal year in which the most recent such action occurred. On request from a Limited Partner at any time, Acuitas will disclose in writing how the Fund voted on any such matter.

A copy of Acuitas' Proxy Voting Policies and Procedures, and information about how we voted client securities, will be provided to any client (including any investor in the Fund or Mutual Fund) promptly upon the client's oral or written request.

#### ***Item 18. Financial Information***

Acuitas is not aware of any aspect of our financial condition that is reasonably likely to impair our ability to meet contractual commitments to our clients. Acuitas has not at any time been the subject of a bankruptcy petition. Acuitas does not require or solicit prepayment of fees in advance.

#### ***Other Information: Acuitas Investments, LLC Privacy Notice***

Financial companies choose how they share your personal information. Federal law gives consumers the right to limit some but not all sharing. Federal law also requires us to tell you how we collect, disclose, and protect your personal information. Acuitas is committed to maintaining the privacy of our clients and former clients as set forth below. Please read this notice carefully to understand what we do.

##### **Personal information we collect:**

The types of personal information we collect will depend on the product and service you have with us, but can typically include:

- Social security number and/or tax identification number
- Wire Instructions
- Name and Address

**Personal information we disclose:**

Acuitas does not disclose or sell information about our current or former clients to any third parties, except in the following circumstances:

- To companies that are necessary in order to service your account
- As required by regulatory authorities or law enforcement officials who have jurisdiction over Acuitas, or as otherwise required by law

**How we protect your personal information:**

To protect your personal information from unauthorized access and use, we use security measures that comply with federal law. These measures include computer safeguards and secured files and buildings.

If you have any questions about this notice or our privacy policies, please contact us at 206-299-2073.