

## Item 1 – Cover Page



### **FIRM BROCHURE AND BROCHURE SUPPLEMENT**

#### **MARKETFIELD ASSET MANAGEMENT LLC**

369 Lexington Avenue, 3<sup>rd</sup> Floor

New York, New York 10017

[www.marketfield.com](http://www.marketfield.com)

This brochure provides information about the qualifications and business practices of Marketfield Asset Management LLC. (“Marketfield”) If you have any questions about the contents of this brochure, please contact Deepak Tejwaney by telephone at 212.514.2432 or by electronic mail at [dtejwaney@marketfield.com](mailto:dtejwaney@marketfield.com). 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.

Additional information about Marketfield is available on the website maintained by the Securities and Exchange Commission at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

**March 24, 2023**

## **Item 2 – Material Changes**

This Firm Brochure dated March 22, 2023, provides you with a summary of Marketfield Asset Management LLC. (“Marketfield”)’s advisory services and fees, professionals, certain business practices and policies, as well as actual or potential conflicts of interest, among other things. This Item is used to provide our clients with a summary of new and/or updated information; we will inform clients of the revision(s) based on the nature of the information as follows.

1. Annual Update: We are required to update certain information at least annually, within 90 days of our firm’s fiscal year end (FYE) of December 31. We will provide you with either a summary of the revised information with an offer to deliver the full revised Brochure within 120 days of our FYE or we will provide you with our revised Brochure that will include a summary of those changes in this Item.
2. Material Changes: Should a material change in our operations occur, depending on its nature we will promptly communicate this change to clients (and it will be summarized in this Item). “Material changes” requiring prompt notification will include changes of ownership or control; location; disciplinary proceedings; significant changes to our advisory services or advisory affiliates – any information that is critical to a client’s full understanding of who we are, how to find us, and how we do business.

No material change was made since Marketfield’s annual amendment dated March 29, 2022.

### **Full Brochure Availability**

If at any time you would like to receive a copy of the current firm brochure and brochure supplement, please contact Eilene Nicoll, Managing Director and Director of Client Services at Marketfield, by telephone at 212.514.2357 or by electronic mail at [enicoll@marketfield.com](mailto:enicoll@marketfield.com).

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## **Item 4 – Advisory Business**

### **Firm Description**

Marketfield Asset Management LLC (“Marketfield”) was organized as a limited liability company under the laws of the State of Delaware in March 2012 and maintains its principal office in New York, New York. Marketfield is registered as an investment adviser with the United States Securities and Exchange Commission.

Marketfield has a wholly owned subsidiary in Tel Aviv, Israel, Asimonim (2018) Ltd, Israel that performs employee payroll processing services for Marketfield pursuant to an agreement.

No person or entity currently owns twenty-five percent or more of the equity interests in Marketfield.

### **Types of Advisory Services**

Marketfield serves as the sub-adviser to the Cromwell Marketfield L/S Fund.

Marketfield also provides investment advisory services to the Marketfield Fund Offshore SP, as further described in the “Types of Clients” section below.

The investment strategies of Cromwell Marketfield L/S Fund and Marketfield Fund Offshore SP are based on similar macro-economic views, but the funds are not executed on a *pari passu* basis.

### **Assets Under Management**

As of December 31, 2022, Marketfield managed discretionary assets of \$220,581,000. Marketfield manages client assets on a fully discretionary basis.

## **Item 5 – Fees and Compensation**

### **Cromwell Marketfield L/S Fund**

Marketfield serves as sub-adviser to Cromwell Marketfield L/S Fund. The Fund is distributed by Foreside Fund Services, LLC. The Fund administrator is U.S. Bank Global Fund Services.

Shares of Cromwell Marketfield L/S Fund are offered by means of a written prospectus. The management fee of Cromwell Marketfield L/S Fund is 1.40% per annum of net assets, payable monthly in arrears.

This management fee is accrued daily in the calculation of the net asset value of the fund. Cromwell Marketfield L/S Fund is responsible for its own operating expenses.

Pursuant to an operating expense limitation agreement, Cromwell Investment Advisors, LLC, the Fund’s investment adviser (the “Adviser”), has agreed to waive its management fees and/or reimburse Fund expenses to ensure that Total Annual Fund Operating

Expenses (exclusive of contingent deferred sales loads, taxes, leverage, interest, brokerage commissions, expenses incurred in connection with any merger or reorganization, dividends or interest expenses on short positions, acquired fund fees and expenses, and extraordinary expenses) do not exceed 1.80%, 2.55% and 1.55% of the Fund's average daily net assets for Investor Class shares, Class C shares and Institutional Class shares, respectively, through at least March 14, 2024.

The operating expense limitation agreement can be terminated only by, or with the consent of, the Trust's Board of Trustees (the "Board of Trustees"). The Adviser may request recoupment of previously waived fees and paid expenses from the Fund for up to 36 months from the date such fees and expenses were waived or paid, subject to the operating expense limitation agreement, if such reimbursement will not cause the Fund's expense ratio, after recoupment has been taken into account, to exceed the lesser of: (1) the expense limitation in place at the time of the waiver and/or expense payment; or (2) the expense limitation in place at the time of the recoupment. Notwithstanding the foregoing, to the extent the Sub-Adviser waived fees or paid expenses for the predecessor Fund, the Board has determined it appropriate and pursuant to the Agreement and Plan of Reorganization, the Sub-Adviser may recoup any such fees and expenses for up to 36 months from the date such fees and expenses were waived or paid on behalf of the predecessor Fund prior to the Reorganization.

### **Marketfield George Town, SPC**

Marketfield provides investment advisory services to Marketfield Fund Offshore SP, a segregated portfolio of Marketfield George Town SPC, an exempted company organized under the laws of Cayman Islands. The investment strategies of Cromwell Marketfield L/S Fund and Marketfield Fund Offshore SP are based on similar macro-economic views, but the funds are not executed on a *pari passu* basis. Marketfield is entitled to receive an advisory fee of .80% per annum of net assets, payable monthly in arrears. However, if the fund administration expenses exceed .45%, part of the advisory fees would be waived to maintain an expense ratio of 1.25%. Fees are paid from fund assets under the supervision of the administrator of the fund, U.S. Bank Global Fund Services (Cayman) LTD. The prospectus relating to the offering and sale of shares in Marketfield Fund Offshore SP describes in further detail the fees and compensation that Marketfield receives.

Marketfield Fund Offshore SP bears its own expenses, including but not limited to the management fee, a fee payable to the administrator of the fund, investment expenses and other customary expenses, all as described in more detail in the prospectus. An offering of shares in the fund may be made only pursuant to the terms in the prospectus and where permitted by law.

Shares in Marketfield Fund Offshore SP are offered exclusively to investors and prospective investors that are believed to satisfy applicable eligibility and suitability requirements. Each offering and sale of shares is exempt from registration under the Securities ACT of 1933 as an offering only outside of the United States to persons or entities that are neither citizens nor residents of the United States and within the United States to a limited number of tax-exempt United States persons and entities.

### **Managed Accounts**

In the future, Marketfield may also provide investment advisory services to a limited number of managed accounts. In this event, it will generally receive a management fee based on a percentage of the assets under management. Fees for managed accounts are negotiated on a case-by-case basis and are generally paid quarterly in arrears.

### **Brokerage and Other Fees**

Broker-dealers typically charge transaction fees on purchases or sales of securities, and account custodians may charge custodial fees.

These charges are usually small in relation to the value of the account.

The selection of the security is more important than the fees that a broker-dealer charges to buy or sell the security. Additional information about transaction expenses is contained in the section of this brochure entitled "Brokerage Practices."

As part of an overall investment strategy, some assets of the fund may be invested in exchange-traded funds. Exchange-traded funds incur a separate layer of management fees and other expenses that are in addition to the management fees and other expenses charged to Cromwell Marketfield L/S Fund.

## **Item 6 – Performance and Side-by-Side Management**

This item is not applicable.

## **Item 7 – Types of Clients**

### **Funds**

Marketfield serves as sub-adviser to Cromwell Marketfield L/S Fund, a newly created series of Total Fund Solution, an open-end registered investment management company under the Investment Company Act of 1940. Cromwell Marketfield L/S Fund is managed using a long-short strategy that focuses on macroeconomic analysis.

Marketfield Fund Offshore SP is a Cayman Island exempted company managed using a strategy similar to that of Cromwell Marketfield L/S Fund. The investment objective of each fund is capital appreciation. Marketfield also provides investment advisory services to Marketfield Fund Offshore SP.

### **Minimum Investor Account Size**

The minimum investment amounts for initial and subsequent subscriptions to each fund is set forth in the prospectus relating to the fund. In general, Marketfield would require at least \$10,000,000 in assets to establish a separately managed account.

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

### **Investment Strategies**

In addition to charting, fundamental, technical, and cyclical analysis, Marketfield utilizes proprietary macroeconomic analysis to identify and evaluate securities that it believes to be attractive candidates for investment.

Additional information about the investment strategies and methods used by a fund are set forth in each fund's prospectus.

Marketfield allocates assets among investments in equity securities, fixed-income securities and other investment companies, including exchange traded funds ("ETFs"), in proportions consistent with its evaluation of their expected risks and returns.

The equity security investments may include common and preferred stocks of United States companies of any size. Marketfield may invest in foreign securities including, but not limited to, American Depositary Receipts ("ADRs"), European Depositary Receipts ("EDRs") and Global Depositary Receipts ("GDRs"). Marketfield engages in short sales of securities to profit from an anticipated decline in the price of the securities sold short.

Marketfield's investments in fixed-income securities consist of investment grade corporate bonds and debentures, mortgage-backed and asset-backed securities, United States Treasury obligations, municipal securities, obligations issued by the U.S. Government and its agencies or instrumentalities and convertible securities. Marketfield may also invest in fixed income securities that are below investment grade. Below investment grade securities are generally securities that receive low ratings from independent rating agencies, such as rated lower than BBB- by Standard & Poor's ("S&P") and Baa3 by Moody's Investor Service, Inc. ("Moody's"), or if unrated, are determined to be of equivalent quality. If independent rating agencies assign different ratings to the same security, Marketfield will use the higher rating for purposes of determining the security's credit quality. Securities that are rated below investment grade by independent rating agencies are commonly referred to as "high yield debt" or "junk bonds." The fixed-income securities in which Marketfield invests may have maturities of any length and may have variable and floating interest rates. Marketfield may also invest in zero-coupon bonds, without limitation.

In addition, Marketfield may invest in equity or fixed-income options, futures contracts and convertible securities and may invest in swap agreements. Marketfield shall manage client assets so it will not be deemed a "commodity pool operator" under the Commodity Exchange Act.

### **Investment Process**

When reviewing investment opportunities, Marketfield considers various factors, including macroeconomic conditions, corporate earnings at a macroeconomic level, anticipated inflation and interest rates, consumer risk and its perception of the outlook of the capital markets as a whole.



A macroeconomic strategy focuses on broad trends and is generally distinguished from a strategy that focuses on the prospects of particular companies or issuers. Marketfield may allocate investments between equity and fixed-income securities at its discretion, without limitation.

Security selection for Marketfield is driven by its top-down analysis of economic issues, Marketfield's perception of investor sentiment and investment flows. Once Marketfield has identified a theme that is expected to either benefit or disadvantage a specific sector or country, it seeks to implement an investment strategy that is appropriate. In some cases, Marketfield may utilize a sector- or country-specific ETF that offers exposure to a broad range of securities. In other situations, Marketfield may select a single issue that it perceives to be particularly germane to a specific concern or a small group of issues with characteristics that match the goal of creating portfolio exposure to a macroeconomic theme.

Marketfield may sell a security if it no longer believes the security will contribute to meeting the investment objective or when the security is deemed less attractive relative to another security on a return/risk basis. Marketfield may also sell or reduce a position in a security if it sees the investment theme failing to materialize.

### **Sources of Information**

Marketfield uses information, reports, and data from various sources, but the investment decisions that Marketfield makes on behalf of its clients are based primarily on its own internal research and analysis, as well as the experience of its key personnel.

Marketfield may obtain research information from third parties, including published reports of companies and other issuers, general economic data, and governmental publications and data compilations.

The main sources of information to be used by Marketfield include financial newspapers and magazines; inspections of corporate activities, research materials prepared by others, corporate rating services, annual reports, prospectuses, filings with the Securities and Exchange Commission or other regulatory agencies, and company press releases.

### **Risk of Loss**

All investment programs involve risks that an investor should be prepared to bear. The investment approach employed by Marketfield constantly keeps the risk of loss in mind. Information about the specific risk factors relevant to a fund is set forth in each fund's prospectus. The fund, and therefore investors in the fund, faces the following investment risks among others:

**Dependence on Marketfield:** The performance of the fund is dependent on the efforts of Michael C. Aronstein and Michael Shaoul. Biographical information about Messrs. Aronstein and Shaoul is included in the brochure supplement which is available upon request. They each devote the time and effort that they

deem necessary to supervision of the fund, but each may have other business responsibilities.

**Market Risk:** The price of a security, bond, or mutual fund may drop in reaction to tangible and intangible events and conditions. This type of risk is caused by external factors regardless of the particular circumstances that affect a security. For example, political, economic, and social conditions may influence market conditions.

**Interest-Rate Risk:** Fluctuations in interest rates may cause investment prices to fluctuate. For example, when interest rates rise, fixed-rate bond coupons tend to become less attractive, which in turn causes bond market values to decline.

**Inflation Risk:** When inflation is present, a dollar today will not buy as much as a dollar next year, because the purchasing power of the dollar is eroding at the rate of inflation.

**Currency Risk:** A security that is not denominated in United States dollars is subject to fluctuations in the value of the United States dollar as against the currency in which the security is denominated. For example, the value of a security denominated in Euros will decrease if the dollar strengthens against the Euro. This type of risk is also called exchange-rate risk.

**Reinvestment Risk:** This risk is that future proceeds from investments may be reinvested at a lower rate of return because yields generally have decreased. This type of risk primarily relates to fixed-income securities.

**Business Risk:** This risk is associated with a particular industry or a particular issuer. For example, an oil production company depends upon the lengthy process of finding, transporting, and then selling oil before the company generates a profit. As a result, an oil production company carries a higher risk of profitability variance than an electric company, which generates its income from a relatively stable customer base that purchases electricity regardless of the economic environment.

**Liquidity Risk:** Liquidity is the ready ability to convert an investment into cash. Generally, assets are more liquid if many traders are interested in a standardized product. For example, United States Department of Treasury obligations are highly liquid, while real estate properties are not.

**Financial Risk:** Excessive borrowing to finance the operations of a business increases the risk to profitability, because the company is required to repay principal and interest in both good and bad economic times. During periods of financial stress, the inability of a company to meet its loan obligations may decrease the value of its securities and, in some cases, force the company to seek bankruptcy protection.

**Risks of Issuer-Specific Changes:** Changes in the financial condition of an issuer or counterparty, changes in specific economic or political conditions that affect a particular type of security or issuer, and changes in general economic or

political conditions may increase the risk of default by an issuer or a counterparty, which may affect the value of a security or an instrument. The value of securities of smaller, less well-known issuers may be more volatile than the value of securities of larger issuers. Smaller issuers may have more limited product lines, markets, or financial resources.

**Hedging Risk:** There is no assurance that a particular hedge will be appropriate or that Marketfield will measure risk properly. Further, while Marketfield may enter into hedging transactions to seek to reduce risk, these transactions may result in poorer overall performance and risk that is increased rather than reduced from the level that would occur if Marketfield were not to engage in hedging transactions.

**Arbitrage-Transactions Risk:** If the requisite elements of an arbitrage strategy are not properly analyzed, or if unexpected events or price movements intervene, losses may occur. These losses may be magnified to the extent that Marketfield is employing leverage in a fund. Moreover, arbitrage strategies often depend upon identifying favorable spreads. Favorable spreads may be reduced or eliminated by the actions of other market participants.

**Commodities Risk:** Commodity investments are affected by business, financial, market, and legal uncertainties. There is no assurance that Marketfield will correctly evaluate the nature and magnitude of the various factors that could affect the value of and return on commodity investments. Prices of commodity investments may be volatile, and a variety of factors that are inherently difficult to predict, such as domestic or international economic and political developments, may significantly affect the investment results of a fund. In addition, the value of a fund holding commodities may fluctuate as the general level of interest rates fluctuates.

**Relative-Value Risk:** In the event that the perceived pricing misalignments that underlie the relative-value trading positions that Marketfield places in a fund were to fail to converge toward, or were to diverge further from, the relative values that Marketfield expects, the fund may incur a loss.

**Distressed-Situation Risk:** Investment in distressed-situation securities exposes a fund to significant risks, including (1) the difficulty in obtaining information as to the true condition of the issuer, (2) regulatory risk, including the laws relating to fraudulent conveyances, voidable preferences, lender liability, and bankruptcy, (3) litigation risk, (4) liquidity risk, and (5) collection risk, especially in the context of sovereign debt. Moreover, to the extent that a fund invests in sovereign-debt obligations, those obligations are subject to additional risks and considerations that are not present in private distressed-situation securities, including the uncertainties involved in enforcing and collecting debt obligations against sovereign nations. These uncertainties may be additionally affected by world events, changes in United States foreign policy, and other factors outside of the control of Marketfield.

**Emerging-Markets Risk:** The risks of foreign investments typically are greater in emerging markets. For example, political and economic structures in less-

developed countries may be less established and may change rapidly. These countries also are more likely to experience high levels of inflation, deflation, or currency devaluation, which may harm their economies and securities markets and may increase volatility. Restrictions on currency trading that may be imposed in emerging markets will have an adverse effect on the value of the securities of companies that trade or operate in those countries.

**Derivatives Risk:** Swaps, options traded over the counter, and other customized derivative or synthetic instruments are subject to the risk of nonperformance by the counterparty of the instrument, including risks relating to the financial soundness and creditworthiness of the counterparty. In addition, investments in derivative instruments may involve a high degree of leverage, meaning that the overall contract value (and, accordingly, the potential for profits or losses in that value) may be much greater than the modest deposit used to buy the position in the derivative contract. Derivative securities may also be highly volatile.

The prices of derivative instruments and the investments underlying derivative instruments may fluctuate rapidly and over wide ranges and may reflect unforeseeable events or changes in conditions, none of which is controlled by an investment manager. Further, many transactions in derivative instruments are not undertaken on recognized securities exchanges and thus expose a fund to greater risks than regulated exchange transactions. Exchange transactions generally provide greater liquidity and more accurate valuation of securities.

**Illiquid-Investments Risk:** Some securities and instruments may have no readily available market or independent pricing. Reduced liquidity may have an adverse impact on market prices and the ability of Marketfield to sell particular securities to meet liquidity needs or in response to a specific economic event, such as the deterioration of creditworthiness of an issuer. Reduced liquidity in the secondary market for particular securities may also make it more difficult for Marketfield to obtain market quotations based on actual trades for the purpose of valuing the portfolio of a fund.

**Pandemics and Other Public Health Crisis:** Pandemics and other health crises, such as the outbreak of an infectious disease such as severe acute respiratory syndrome, avian flu, H1N1/09 flu and COVID-19 or any other serious public health concern, together with any resulting restrictions on travel or quarantines imposed, could have a negative impact on the economy, and business activity in any of the areas in which client investments may be located. Such disruption, or the fear of such disruption, could have a significant and adverse impact on the securities markets, lead to increased short-term market volatility or a significant market downturn, and may have adverse long-term effects on world economies and markets generally.

**Cybersecurity Risk:** Investment advisers and their service providers may be prone to operational and information security risks resulting from cyber-attacks. Cyber-attacks include, among other behaviors, stealing or corrupting data maintained online or digitally (including, for example, through cyber- attacks known as “phishing” and “spear-phishing”), denial-of-service attacks on websites, the unauthorized release of confidential information and causing operational

disruption. Cyber- attacks may interfere with the processing of transactions, cause the release of private information or confidential information of the Firm, cause reputational damage, and subject the Firm to regulatory fines, penalties or financial losses, reimbursement or other compensation costs, and/or additional compliance costs. While the Firm has established business continuity plans and systems designed to prevent such cyber-attacks, there are limitations in such plans including the possibility that certain risks have not been identified.

**Geopolitical Risk:** Geopolitical risk can refer to a wide range of issues, from military conflict to climate change and Brexit. We look at it as the relationships between nations at a political, economic or military level. The risk occurs when there is a threat to the normal relationships between countries or regions. Geopolitical risk creates uncertainty. This weighs on economies and financial markets as decision-makers hold off from making major commitments.

The foregoing discussion does not purport to be a complete enumeration or explanation of all of the risks involved in an investment in a fund sub-advised or managed by Marketfield. Potential investors should read the entire prospectus of the relevant fund, and they should consult with their own advisors to determine whether to invest.

## **Item 9 – Disciplinary Information**

### **Regulatory Disclosures**

On February 13, 2015, Marketfield was found by the Italian regulator, CONSOB, to have failed to file in a timely manner a required report disclosing beneficial ownership of more than 5% of the outstanding shares of an Italian company. Marketfield was fined 50,000 Euros.

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

### **Financial Industry Affiliations**

Marketfield serves as sub-adviser to Cromwell Marketfield L/S Fund, a series of Total Fund Solution, an open-end registered investment management company under the Investment Company Act of 1940. Cromwell Investment Advisors, LLC serves as the adviser. Foreside Fund Services, LLC is a broker-dealer registered with the Securities and Exchange Commission and serves as the primary distributor of the shares of Cromwell Marketfield L/S Fund. Marketfield is not affiliated with Total Fund Solution, Cromwell Investment Advisors, LLC or Foreside Fund Services, LLC.

Marketfield manages Marketfield Fund Offshore SP, an exempted private fund, organized under the laws of the Cayman Islands.

### **Financial Industry Activities**

Mr. Shaoul is a principal owner of Park Square Associates Inc., a New York corporation engaged in the real-estate business. He also serves as a general partner, manager, secretary, or treasurer of several other entities engaged in the real-estate business, none

of which is managed by or related to the business of Marketfield, and no shareholders of the Cromwell Marketfield L/S Fund are invested in any real-estate investments held by Park Square Associates Inc.

Mr. Michael Aronstein serves as the Chairman of the board of directors, President and Chief Executive Officer of AngioGenex Inc., a corporation engaged in the biotechnology business.

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

### **Code of Ethics**

The personnel of Marketfield have committed to a written code of ethics. This code of ethics requires Marketfield and its personnel to comply fully with all applicable laws, including federal securities laws, in conducting investment advisory services and related activities. The Chief Compliance Officer of Marketfield is responsible for overseeing adherence to the code of ethics. Marketfield will provide a copy of the code of ethics to any client, investor, or prospective client or investor upon request.

The code of ethics is based on the principle that Marketfield has a fiduciary obligation to its clients. In this fiduciary capacity, Marketfield and its personnel are required to place the interests of clients before their own interests and the interests of persons and entities that may be related to Marketfield and its personnel.

Marketfield seeks to avoid conflicts of interest with its clients and takes appropriate steps consistent with its code of ethics to resolve any conflicts of interest that may arise.

The Marketfield code of ethics and other compliance procedures establish policies and procedures in a number of areas, including the treatment of confidential proprietary information, recordkeeping, conflicts of interest, and personal securities transactions.

### **Violations of Law**

The Chief Compliance Officer conducts compliance reviews at least annually and monitors for indications of potential violations of the code of ethics on a monthly basis.

In addition, Marketfield has a written policy that requires personnel who become aware of a violation of the code of ethics to report the possible violation promptly on a confidential basis to the Chief Compliance Officer.

The code of ethics requires Marketfield to investigate these reports and prohibits adverse action from being taken against someone who reports a possible violation in good faith.

The code of ethics requires Marketfield to administer discipline to maintain the quality of services that it provides to clients by encouraging legal and appropriate behavior and by deterring illegal and inappropriate behavior. Disciplinary actions may include a written warning, fines, suspension of employment, and termination of employment.

## **Participation or Interest in Client Transactions**

Marketfield or one or more of its officers, members, managers, employees, and agents may from time to time have a direct or indirect interest in a security that is purchased, sold, or otherwise traded in client accounts and may effect transactions in the security for client accounts that may be the same as or different from the actions that Marketfield or such a related person may take with respect to its or his account.

As either an adviser or sub-adviser of a fund, Marketfield has the authority to effect transactions in securities while also acting as agent for another Marketfield client that is the counterparty to the transaction. It is Marketfield policy to conduct cross transactions of this nature on the open market, in accordance with applicable law and Marketfield internal policies and procedures.

## **Personal Trading**

Marketfield permits its personnel to purchase and sell securities for their personal accounts and for the accounts of persons and entities related to them, so long as they are in compliance with the code of ethics. These securities may be among those owned by the fund.

The Marketfield code of ethics requires that personnel obtain clearance in advance from the Chief Compliance Officer with respect to all proposed securities trading for their personal accounts and for the accounts of related persons, including securities offered in an initial public offering or another limited offering but excluding securities that are not reportable under the code of ethics. To avoid the occurrence of actual or perceived conflicts of interest between the fund and Marketfield personnel, purchases and sales by Marketfield personnel are not permitted if there is a pending or immediately contemplated order in the same security for the fund, either on the same side or the opposite side of the market, except as may be approved by the Chief Compliance Officer on a case-by-case basis.

Marketfield personnel are permitted to invest in the fund but not to purchase securities from the fund or sell securities to the fund.

The code of ethics requires personnel to disclose to the Chief Compliance Officer all of their reportable personal securities holdings, to provide him with quarterly holdings and transactions reports, and to alert him to any changes in their holdings. In addition, Marketfield has a written insider trading policy that is designed to prevent the improper use of material nonpublic information.

## **Item 12 – Brokerage Practices**

### **Selecting Brokerage Firms**

Marketfield generally has full discretion and authority over its client accounts, including the authority to select a broker-dealer to execute a particular transaction and to negotiate the rate of commission payable for these services. In selecting a broker-dealer, Marketfield seeks the best available combination of execution and overall price, which includes the cost of the transaction. Marketfield may utilize broker-dealers that provide

solely brokerage services, as well as broker-dealers that provide proprietary research reports. The fund may maintain prime brokerage arrangements, which permit transactions executed through several broker-dealers to settle into an account at the prime broker.

Marketfield does not consider whether it or a related person receives referrals from a broker-dealer or another third party when it selects broker-dealers.

### **Best Execution**

Marketfield's primary consideration in effecting a security transaction will be to obtain the best execution taking into account all relevant factors, which include, without limitation, the following: price (including the applicable brokerage commission or dollar spread); the size of the order; the nature of the market for the security at the time of execution; the timing of the transaction; the reputation, experience and financial stability of the broker-dealer involved; the quality of the service; the difficulty of execution, the execution capabilities and operational facilities of the firm involved; the firm's abilities in positioning a block of securities of the size being executed upon; and, for transactions using a 'high-touch' the added value provided thereby. Accordingly, the price in any transaction may be less favorable than that available from another broker-dealer if the difference is reasonably justified, in the judgment of Marketfield in the exercise of its fiduciary obligations, by other aspects of the portfolio execution services offered.

The CCO periodically tests best execution for the Cromwell Marketfield L/S Fund and the Offshore Fund. Marketfield's best execution review may include, but is not necessarily limited to, reviewing data on which brokers provide the greatest liquidity, how the brokers rank against their peers, and a review of trade volumes. The data source for the reviews will be independent of Marketfield.

Marketfield endeavors to select financially responsible broker-dealers that provide best execution, and it periodically evaluates its best execution efforts. To the extent that a broker-dealer provides Marketfield with proprietary research reports, such research is incidental to the brokerage services provided.

### **Trade Error Policy**

On occasion, Marketfield may experience errors with respect to trades made on behalf of client accounts. Marketfield endeavors to detect trade errors prior to settlement and to correct them in an expeditious manner. Marketfield reimburses client accounts for losses directly due to trade errors attributable to Marketfield personnel.

### **Research ("Soft Dollars")**

In effecting purchases and sales of portfolio securities for the fund's accounts, Marketfield will seek the best execution of the fund's orders. Marketfield is subject to policies and procedures that govern the selection of broker/dealers to effect securities transactions on behalf of the fund. Under these policies and procedures, Marketfield must consider not only the commission rate, spread or other compensation paid, but



the price at which the transaction is executed, bearing in mind that it may be in the fund's best interests to pay a higher commission, spread or other compensation in order to receive better execution. From time to time, Marketfield may receive proprietary research prepared by a broker/dealer and other products and services as a result of executing securities transactions through the broker/dealer. When Marketfield utilizes client brokerage commissions (or markups or markdowns) to obtain research, it receives a benefit because it does not have to pay for the research, products or services. As a result, Marketfield has an incentive to select or recommend a broker-dealer based on its interest in receiving this research rather than on its clients' interest in receiving most favorable execution. Marketfield will only choose such broker-dealers when the execution complies with the principles of best execution. Additionally, Marketfield utilizes soft dollar benefits to service all accounts and does not seek to allocate soft dollar benefits to client accounts proportionately to the soft dollar credits the accounts generate.

Marketfield may consider these and other factors, including the broker's integrity, specialized expertise, speed, ability or efficiency, or other services. Marketfield may not consider a broker's promotional or sales efforts on behalf of the Fund as part of the broker selection process for executing fund transactions. Furthermore, neither the fund nor Marketfield may enter into agreements under which the fund directs brokerage transactions (or revenue generated from those transactions) to a broker to pay for distribution of fund shares.

### **Order Aggregation**

Using brokerage accounts, Marketfield may aggregate for block execution orders for the purchase and sale of the same security on behalf of Cromwell Marketfield L/S Fund and another fund or any managed accounts. Securities purchased in an aggregated order generally receive the average price obtained on the order.

## **Item 13 – Review of Accounts**

### **Periodic Reviews**

The books and records pertaining to Cromwell Marketfield L/S Fund are maintained by U.S. Bancorp Fund Services, LLC, while the Marketfield Fund Offshore SP books and records are maintained by U.S. Bank Global Fund Services (Cayman) LTD. They respectively serve as third-party administrators and transfer agents for Cromwell Marketfield L/S Fund and Marketfield Fund Offshore SP. The administrators produce regular reports to the investors in the fund. In addition, an independent certified public accounting firm conducts an annual audit of the records and accounts of the funds. The fund administrator distributes audited financial statements for the funds to investors.

At least monthly, Messrs. Aronstein and Shaoul, the co-Portfolio Managers conduct a detailed review of the portfolio holdings of Cromwell Marketfield L/S Fund and Marketfield Fund Offshore SP to align portfolio holdings with the investment strategy.

In the event that Marketfield begins managing the investments for accounts, other than the investment fund it currently manages, these clients will receive regular reports as to the holdings and transactions in their accounts directly from their account custodians.

### **Additional Review Triggers**

Client inquiries, changes in the general market outlook, changes in the tax laws, new investment information, and changes in the opinions of Messrs. Aronstein and Shaoul on specific issues may prompt more frequent reviews of the portfolio holdings of some or all clients.

### **Commentary and Other Reports**

Marketfield prepares a quarterly written fund update for Cromwell Marketfield L/S Fund and Marketfield Fund Offshore SP, which includes commentary that discusses market conditions and the investment outlook.

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

### **Incoming Referrals**

Marketfield has no referral or solicitation arrangements in place.

### **Outgoing Referrals**

Marketfield does not accept referral fees or any form of remuneration from another professional when an investor is referred by Marketfield to the other professional.

## **Item 15 – Custody**

### **Account Statements**

All client funds and securities are held at qualified custodians. These custodians provide account statements at least quarterly. The fund administrator prepares and distributes account statements to fund investors.

### **Deemed Custody**

Marketfield provides investment advisory services to the Marketfield Fund Offshore SP, a segregated portfolio of Marketfield George Town SPC, an exempted company organized under the laws of Cayman Islands. Marketfield is deemed to have custody of the fund's assets given its ability to direct payments from the custodian. Marketfield has put controls in place to safeguard investors' assets in the fund. An independent accountant, registered with, and subject to, regular inspection by the Public Company Accounting Oversight Board, audits the fund each year, and the fund administrator sends copies of the audited financial statements to all investors in the fund within 120 days after fiscal Year-end.

As a matter of policy and practice, Marketfield does not permit employees or the firm to accept or maintain custody of client assets other than as identified above.

## **Item 16 – Investment Discretion**

### **Discretionary Authority for Trading**

In its capacity as sub-adviser to Cromwell Marketfield L/S Fund and investment adviser to the Marketfield Fund Offshore SP, Marketfield has the authority to determine, without obtaining specific consent from a fund, the securities to be bought or sold and the amount of the securities to be bought or sold for the fund.

Discretionary trading authority authorizes placing trades in fund accounts so that Marketfield may promptly implement the investment strategy. Marketfield does not receive any portion of the transaction fees or commissions paid by a fund to the custodian or executing broker-dealer, although Marketfield may receive proprietary research as discussed in the section of this brochure entitled “Brokerage Practices.”

### **Limited Power of Attorney**

The funds have granted Marketfield a trading authorization that gives Marketfield discretionary authority over fund accounts.

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

### **Proxy Voting**

Marketfield has adopted written proxy-voting policies and procedures that are available upon request by any fund investor or prospective investor. Also available upon request by any investor or prospective investor is a record of how Marketfield has voted client proxies since it became registered as an investment adviser with the Securities and Exchange Commission. Marketfield is permitted to delegate the responsibility to vote proxies to a third-party proxy-voting service provider.

### **Conflicts of Interest**

It is unlikely that a conflict of interest will arise in the context of voting proxies. If a matter to be voted upon involves a potential conflict of interest, Mr. Aronstein consults with the Chief Compliance Officer to evaluate the conflict presented. Marketfield then determines whether or not to follow the recommendation of the proxy-voting service provider, to vote the proxy, or to abstain from voting.

## **Item 18 – Financial Information**

### **Financial Disclosure**

Registered investment advisers are required in this Item to provide clients with certain financial information or disclosures about Marketfield’s financial condition. Marketfield

has no financial commitment that impairs its ability to meet contractual and fiduciary commitments to clients and has not been the subject of a bankruptcy proceeding.