

## **Form ADV Part 2A – Brochure**

### **Item 1 – Cover Page**

# **PlusTick Management LLC**

**CRD# 173707**

**Effective: March 2023**

This brochure (“Brochure”) provides information about the qualifications and business practices of PlusTick Management LLC (“PlusTick”). If you have any questions about the contents of this Brochure, please contact us at 434-977-9229 or [info@plustickpartners.com](mailto:info@plustickpartners.com). The information in this Brochure has not been approved or verified by the United States Securities and Exchange Commission (the “SEC”) or by any state securities authority.

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

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## Item 2 – Material Changes

Form ADV 2 is divided into two parts: *Part 2A (the "Brochure")* and *Part 2B (the "Brochure Supplement")*. The Brochure provides information about a variety of topics relating to PlusTick's business practices and conflicts of interest. The Brochure Supplement provides information about advisory personnel of PlusTick.

### Material Changes

There have been no material changes to this brochure since it was last updated in March 2022.

### Future Changes

From time to time, we may amend this Brochure to reflect changes in our business practices, changes in regulations and routine annual updates as required by the securities regulators.

At any time, you may view the current Brochure on-line at the SEC's Investment Adviser Public Disclosure website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov) by searching for our firm name or by our CRD #173707. You may also request a copy of this Brochure at any time, by contacting us by email at [info@plustickpartners.com](mailto:info@plustickpartners.com) or by telephone at 434-977-9229.

**Item 3 – Table of Contents**

	Page
Item 1 – Cover Page .....	1
Item 2 – Material Changes .....	2
Item 4 – Advisory Business.....	4
Item 5 – Fees and Compensation .....	6
Item 6 – Performance-Based Fees and Side-By-Side Management.....	8
Item 7 – Types of Clients .....	9
Item 8 – Methods of Analysis, Investment Strategies and Risk of Loss .....	10
Item 9 – Disciplinary Information .....	15
Item 10 – Other Financial Industry Activities and Affiliations.....	15
Item 11 – Code of Ethics, Participation or Interest in Client Transactions and Personal Trading .....	16
Item 12 – Brokerage Practices.....	18
Item 13 – Review of Accounts .....	21
Item 14 - Client Referrals and Other Compensation .....	21
Item 15 – Custody .....	21
Item 16 – Investment Discretion .....	22
Item 17 – Voting Client Securities .....	22
Item 18 – Financial Information .....	23

## Item 4 – Advisory Business

### The Firm and its Principal Owners

PlusTick Management LLC (the “Firm,” or “PlusTick”) is a Delaware limited liability company, which commenced operations in 2012. PlusTick’s primary office is located at 200 6th St. NE, Charlottesville, VA 22902.

PlusTick is a registered investment adviser with the U.S. Securities and Exchange Commission (“SEC”). PlusTick is owned and was co-founded by Thomas J. Hill and Adrian Keevil. Mr. Hill serves as the Managing Partner and Chief Investment Officer of PlusTick. Mr. Keevil serves as the Director of Research, as a Partner, and the Chief Compliance Officer of PlusTick.

### Advisory Services

PlusTick currently provides investment management services and discretionary investment advice to private funds (each, a “Fund” and collectively, the “Funds”) and provides investment management services and discretionary advice to one or more separately managed account clients (“SMAs”) through a sub-advisory agreement and may serve as investment adviser to various advisory clients and/or sub-advisory clients including SMAs and other private investment funds (collectively, “Clients”).

### Types of Services

The investments of each Fund are managed in accordance with the investment objectives, strategies and guidelines applicable to such Fund and are not tailored to any particular investor in the Fund (an “Investor”). PlusTick does not provide individualized investment advice to such Investors with respect to their investment in the Fund; therefore, Investors should consider whether a particular Fund meets their investment objectives, risk tolerance and financial situation.

### Advisory Services to SMAs

Investments for a SMA are managed in accordance with the Client’s investment objectives, strategies, restrictions and guidelines as set forth in the documents governing PlusTick’s relationship with such Client or as otherwise communicated to PlusTick by the Client. Depending on the nature of the relationship, these services may be offered on a discretionary or non-discretionary basis and may include the investment and reinvestment of securities, cash and cash equivalents, futures and options held in a Client’s account. If a Client wishes to impose certain restrictions on investing in certain securities or types of securities or is prohibited by applicable law from investing in such securities or types of securities, PlusTick will address those requests on a case-by-case basis.

### Wrap Fee Programs

PlusTick does not participate in wrap fee programs.

Regulatory Assets Under Management

As of December 31, 2022, PlusTick manages approximately \$196.5 million on a discretionary basis and \$0 on a non-discretionary basis.

## Item 5 – Fees and Compensation

### Management Fees

The fees and compensation payable to PlusTick are negotiable. From the Funds, PlusTick typically receives, as to each Investor, a quarterly management fee (“Management Fee”) to be paid in arrears, calculated at the rate of 0.25% (i.e., 1.0% per annum) of the value of each Investor’s capital account as of the last day of each calendar quarter.

The Management Fee is paid quarterly, in arrears and together with other fees described below is deducted from the Funds’ assets. In the event the Fund is not in existence for an entire calendar quarter, the Management Fee for such calendar quarter will be prorated. The Management Fee will be adjusted for any capital contributions or withdrawals occurring during the calendar quarter and will be prorated for any period that is less than a full calendar quarter. PlusTick, in its sole discretion, may waive or reduce the Management Fee for Investors that are principals, employees of PlusTick and/or its affiliates, relatives of such persons, and for certain large or strategic investors. As of this date, only principals and employees of PlusTick have received waivers or reductions in any management fee from PlusTick.

If an SMA Client is engaged, the SMA may pay PlusTick an annualized management fee (the “SMA Management Fee”). The SMA Management Fee will be subject to negotiation with the Client and a Client may therefore pay more or less than other Clients for the same or similar management services. Any SMA Management Fee will be dependent on the individual investment advisory agreement negotiated between the Client and PlusTick (“SMA Agreement”). PlusTick may in its own discretion waive or reduce the SMA Management Fee. In the unlikely event that an SMA Client invests in the Funds through an SMA Agreement, the SMA Management Fee would be waived for the portion of assets invested in the Funds.

### Performance Fees

With respect to certain Clients, PlusTick may receive an incentive allocation or incentive fee based on net profits. Details regarding any incentive allocation or other incentives are set forth in the next section entitled, “*Item 6. Performance-Base Fees and Side-By-Side Management.*” If an SMA Client invests in the Funds through an SMA Agreement, any performance fee or incentive allocation payable per the SMA Agreement would be waived for the portion of assets invested in the Funds.

### Expenses

Fees paid to PlusTick are exclusive of all custodial and transaction costs paid to the Client’s custodian, brokers or other third-party consultants. Please see *Item 12 – Brokerage Practices* for additional information. Fees paid to PlusTick are also separate and distinct from the fees and expenses charged by mutual funds, exchange traded funds (“ETFs”) or other investment pools to their shareholders (generally including a management fee and fund expenses, as described in each fund). Each Client (and each Investor) should review all fees charged by funds, brokers, PlusTick and others to fully understand the total amount of fees paid by the Client (and each Investor) for investment and financial-related services. PlusTick may, at its discretion, make exceptions to the

foregoing or negotiate special fee arrangements where PlusTick deems it appropriate under the circumstances.

The Client may terminate their investment advisory agreement at any time, subject to any terms and written notice requirements in such agreement. In the event of termination in accordance with its terms, any paid but unearned fees will be promptly refunded to the Client based on the number of days that the account was managed, and any fees due to PlusTick from the Client will generally be invoiced or deducted from the Client's account prior to termination.

In the event of a termination of an SMA investment advisory agreement, fees will be prorated subject to the SMA Agreement. Any paid but unearned fees will be promptly refunded to the SMA, and any fees due to PlusTick from the SMA will be invoiced or deducted from the SMA prior to termination. Notwithstanding the foregoing, PlusTick may negotiate or set a management fee different from the foregoing with respect to the Funds, SMAs or any other Client PlusTick manages in the future.

Compensation for Sale of Securities or Other Investment Products

PlusTick does not receive compensation for securities transactions or services related to any Client account or any other fees other than the management fee and performance fees charged for its advisory services.

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

### Performance-Based Fees

PlusTick may be entitled to receive performance-based compensation calculated as a share of the capital appreciation of the Clients. PlusTick only receives performance-based compensation in accordance with the provisions of the Investment Advisers Act of 1940. At the end of each fiscal year and whenever an Investor makes a withdrawal from its capital account, there shall be reallocated to PlusTick (and/or an entity designated by the PlusTick) from the capital account of such Investor of the Fund 20% of such Investor's share of the net profits, subject to a loss carryforward provision. Full details of the loss carryforward provision are described in the Fund's offering documents and other governing documents.

PlusTick, in its sole discretion, may waive or reduce any incentive allocation or other incentive fee with regard to Investors that are employees or affiliates of PlusTick or relatives of such persons or for other Investors such as large or strategic Investors. Notwithstanding the foregoing, PlusTick or its affiliates may negotiate or set any incentive allocation, or other incentive fees or other terms different from the foregoing with respect to a Fund, SMA Client or any other Client PlusTick provides management services in the future. As of this date, only investors who purchased securities in the first Fund advised by PlusTick during a finite period until a specified AUM was reached, have received waivers or reductions in any incentive fee from PlusTick.

### Side-By-Side Management

PlusTick may provide investment advisory services to SMAs in addition to private funds. Potential types of conflicts of interest may arise between Clients. For example, PlusTick has an incentive to allocate more resources to its largest clients who pay PlusTick the largest fees for similar advisory services compared to other PlusTick Clients. This is mitigated by PlusTick's policies and procedures which are designed to treat the execution of all Client's trades in an equitable manner. Examples of other conflicts may include, but are not limited to, the amount of time and investment ideas allocated to each SMA or private fund, orders that may not be fully executed on the same day between SMAs or private funds, or trades executed in one SMA that may adversely impact the value of securities held by another SMA or private fund. PlusTick believes these possible conflicts of interest may be mitigated by the fact that it employs one strategy across all Client accounts – both SMAs and private funds.



### Item 7 – Types of Clients

PlusTick and its affiliates serve as general partner and/or discretionary adviser to several private investment funds including, PlusTick Partners (QP), L.P., a Delaware limited partnership, and PlusTick Offshore Fund Ltd., a Cayman Islands limited company (collectively, the “PlusTick Funds”).

PlusTick’s Clients (and Investors therein) may include the PlusTick Funds, institutional entities, high net worth individuals, families, trusts, foundations, sovereign wealth funds, private or public pension plans and endowments. PlusTick’s minimum subscription in its private funds are:

- \$500,000 for PlusTick Partners (QP), LP
- \$500,000 for PlusTick Partners Offshore Fund, LTD

Minimum account sizes for SMA Client accounts vary depending on the type of investment advisory services to be performed and in certain circumstances may be negotiable.

PlusTick may waive these minimums in its sole discretion.

PlusTick may allow certain Investors to invest in a Fund on different business terms than other Investors. For example, a Fund may agree to provide certain Investors additional information from the information made available to the other Investors in a Fund. PlusTick also may agree to provide certain Investors with a fee arrangement that differs in structure and amount from that generally available to other Investors in the Fund. In determining whether to allow an Investor to participate in a Fund on different business terms, PlusTick may consider a number of different factors including, but not limited to, PlusTick’s belief about whether the different terms will adversely affect the other Investors in a Fund considered as a group; such Investor’s objectives in requesting or accepting such terms; whether such Investor is under legal, regulatory or “best practices” obligations to request such terms; and/or whether granting such terms is in any respect inconsistent with representations made by a Fund or PlusTick to Investors. PlusTick’s overarching goal is to have the same level of transparency with any Investor and not to favor the interests of one Investor over another.

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

### Method of Analysis and Investment Strategies

#### *Methods of Analysis*

PlusTick will synthesize traditional analytical experience and longstanding relationships with brokers and analysts on Wall Street with a behavioral-focused approach to security analysis. This is a unique approach, which PlusTick believes will produce an edge in the evaluation of distressed securities.

#### *Investment Strategies*

PlusTick's strategic approach is to invest each portfolio in accordance with an investment plan that has been developed specially for each Client or Fund. PlusTick's investment objective is to provide superior long-term returns to investors. In pursuit of this investment objective, PlusTick has pursued a value approach, investing in the securities of operationally or financially distressed, bankrupt entities, and open-ended or special situations that exhibit attractive return profiles. PlusTick emphasizes long-term holding periods, and trading activity is modest. PlusTick employs leverage, purchase and sell options, purchase credit default swaps and engages in short selling.

#### *Risk of Loss*

PlusTick generally seeks to diversify Clients' investment portfolios (except as described above with respect to the Funds/and the Funds' investments) across various asset classes in an effort to reduce risk of loss, all investment portfolios are subject to risks. Accordingly, there can be no assurance that Client investment portfolios or a Fund will be able to fully meet their investment objectives and goals, or that investments will not lose money. Below is a description of several of the principal risks that Client investment portfolios and the Funds face. However, each prospective Investor and Client should carefully review the applicable offering and other governing documents before deciding to invest with PlusTick.

#### *Management Risks*

While PlusTick manages Client investment portfolios and the Funds based on PlusTick's experience, research and proprietary methods, the value of Clients' investment portfolios and the Funds will change daily based on the performance of the underlying securities in which they are invested. Accordingly, Client's investment portfolios and the Funds are subject to the risk that PlusTick allocates assets to asset classes that are adversely affected by unanticipated market movements, and the risk that PlusTick's specific investment choices could underperform their relevant indexes.

#### *Economic Conditions*

Changes in economic conditions, including, for example, interest rates, inflation rates, employment conditions, competition, technological developments, political and diplomatic events and trends, pandemics, and tax laws may adversely affect the business prospects or

perceived prospects of companies. While PlusTick performs due diligence on the companies in whose securities it invests, economic conditions are not within the control of PlusTick, and no assurances can be given that PlusTick will anticipate adverse developments.

#### *Pandemics*

The impact of epidemics and pandemics could greatly affect the economies of many nations including the United States, individual companies, and the market(s). Pandemics may cause extreme volatility and disruption in both the U.S. and global markets causing uncertainty and risks to economic growth, etc. Health crises caused by the recent coronavirus outbreak may exacerbate other pre-existing political, social, and economic risks in certain countries and globally. Also, pandemics may result, as this outbreak of coronavirus has resulted, in closing borders, enhanced health screenings, healthcare service preparation and delivery, quarantines, cancellation of travel, disruptions to supply chains and customer activity, as well as general concern and uncertainty.

#### *Equity Market Risks*

PlusTick will generally invest portions of Client assets and the Funds directly into equity investments, primarily stocks, or into pooled investment funds that invest in the stock market. As noted above, while pooled investment funds have diversified portfolios that may make them less risky than investments in individual securities, pooled investment funds that invest in stocks and other equity securities are nevertheless subject to the risks of the stock market. These risks include, without limitation, the risks that stock values will decline due to daily fluctuations in the markets, and that stock values will decline over longer periods (e.g., bear markets) due to general market declines in the stock prices for all companies, regardless of any individual security's prospects.

#### *Fixed Income Risks*

PlusTick may invest portions of Client assets or the Funds directly into fixed income instruments, such as bonds and notes, or may invest in pooled investment funds that invest in bonds and notes. While investing in fixed income instruments, either directly or through pooled investment funds, is generally less volatile than investing in stock (equity) markets, fixed income investments nevertheless are subject to risks. These risks include, without limitation, interest rate risks (risks that changes in interest rates will devalue the investments), credit risks (risks of default by borrowers), or maturity risk (risks that bonds or notes will change value from the time of issuance to maturity).

#### *Short Sales*

PlusTick, on behalf of its Clients or the Funds, may from time to time sell securities short in anticipation of the realization of a gain if the securities sold short should decline in market value. A short sale is affected by selling a security that the Client does not own or selling a security which the Client owns but which it does not deliver upon consummation of the sale. In order to make delivery to the buyer of a security sold short, the Client must borrow the security. In so doing, it incurs the obligation to replace that security, whatever its price may be, at the time it is required

to deliver it to the lender. The Client must also pay to the lender of the security any dividends or interest payable on the security during the borrowing period and may have to pay a premium to borrow the security. This obligation must, unless the Client then owns or has the right to obtain, without payment, securities identical to those sold short, be collateralized by a deposit of cash and/or marketable securities with the lender. A short sale of a security involves the risk of a theoretically unlimited increase in the market price of the security, which could result in an inability to cover the short position and a theoretically unlimited loss to the Client.

#### *Lack of Diversification*

Client accounts or the Funds may not have a diversified portfolio of investments at any given time, and a substantial loss with respect to any particular investment in an undiversified portfolio will have a substantial negative impact on the aggregate value of the portfolio.

#### *Leverage*

The Funds may allow PlusTick or one of its affiliates to borrow money on behalf of the Funds and to invest the proceeds thereof for the Fund's investment portfolio. While the use of leverage may increase potential gains, the Funds would also be subject to greater risk of loss in the event that investments acquired with borrowed money decline in value. Generally, PlusTick does not employ leverage.

#### *Options Transactions*

The purchase or sale of an option involves the payment or receipt of a premium payment by the investor and the corresponding right or obligation, as the case may be, to either purchase or sell the underlying security or other instrument for a specific price at a certain time or during a certain period. Purchasing options involves the risk that the underlying instrument does not change price in the manner expected, so that either the option expires worthless, and the investor loses its entire investment in the option, or the option is later sold at a substantial loss. Although an option buyer's risk is generally limited to the cost of its purchase of the option, an investment in an option may be subject to greater fluctuation than an investment in underlying stocks. The risk for a writer of a put option is that the price of underlying stocks may fall below the exercise price. Over-the-counter options also involve counterparty solvency risk.

#### *Credit Risk*

PlusTick cannot control and Clients are exposed to the risk that financial intermediaries or security issuers may experience adverse economic consequences that may include impaired credit ratings, default, bankruptcy or insolvency, any of which may affect portfolio values or management. This risk applies to assets on deposit with any broker utilized by a Client, notwithstanding asset segregation and insurance requirements that are beneficial to Clients generally. In addition, exchange trading venues or trade settlement and clearing intermediaries could experience adverse events that may temporarily or permanently limit trading or adversely affect the value of securities held by Clients. Finally, any issuer of securities may experience a credit event that could impair or erase the value of the issuer's securities held by a Client. ETFs, which are subject to regulatory limits on asset segregation and leverage such that fund shareholders are given

liquidation priority versus the fund issuer, generally limit credit risk; however, certain funds and products may involve higher issuer credit risk because they are not structured as a registered fund.

#### *Legislative and Tax Risk*

Performance may directly or indirectly be affected by government legislation or regulation, which may include, but is not limited to: changes in investment adviser or securities trading regulation; change in the U.S. government's guarantee of ultimate payment of principal and interest on certain government securities and changes in the tax code that could affect interest income, income characterization, and/or tax reporting obligations. In certain circumstances a Client may incur taxable income on his or her investments without a cash distribution to pay the tax due.

#### *Cybersecurity Risks*

PlusTick and its service providers are subject to risks associated with a breach in cybersecurity. Cybersecurity is a generic term used to describe the technology, processes and practices designed to protect networks, systems, computers, programs and data from cyber-attacks and hacking by other computer users, and to avoid the resulting damage and disruption of hardware and software systems, loss or corruption of data, and/or misappropriation of confidential information. In general, cyber-attacks are deliberate, but unintentional events may have similar effects. Cyber-attacks may cause losses to Clients by interfering with the processing of transactions, affecting PlusTick's ability to calculate net asset value or impeding or sabotaging trading. Clients may also incur substantial costs as the result of a cybersecurity breach, including those associated with forensic analysis of the origin and scope of the breach, increased and upgraded cybersecurity, identity theft, unauthorized use of proprietary information, litigation, and the dissemination of confidential and proprietary information. Any such breach could expose PlusTick to civil liability as well as regulatory inquiry and/or action. In addition, Clients could be exposed to additional losses as a result of unauthorized use of their personal information. While we have established business continuity plans, incident response plans and systems designed to prevent cyber-attacks, there are inherent limitations in such plans and systems, including the possibility that certain risks have not been identified. Similar types of cyber security risks also are present for issuers of securities in which we invest, which could result in material adverse consequences for such issuers and may cause a Client's investment in such securities to lose value.

#### *Small-Cap and International Risks*

Historically, small-cap and international stocks have been riskier than large- and mid-cap U.S. stocks. During a period when small-cap and/or international stocks fall behind other types of investments—U.S. large- and mid-cap stocks, for instance—the performance of investment strategies focused on small-cap or international stocks may lag the performance of these other investments.

#### *Government Securities Risks*

Many U.S. government securities are not backed by the full faith and credit of the United States government, which means they are neither issued nor guaranteed by the U.S. Treasury. Certain

issuers of securities, such as the Federal Home Loan Banks, maintain limited lines of credit with the U.S. Treasury. Securities issued by other issuers, such as the Federal Farm Credit Banks Funding Corporation, are supported solely by the credit of the issuer. There can be no assurance that the U.S. government will provide financial support to securities of its agencies and instrumentalities if it is not obligated to do so under law.

*Limitations of Disclosure*

The foregoing list of risks does not purport to be a complete enumeration or explanation of the risks involved in investing in investments. As investment strategies develop and change over time, Clients may be subject to additional and different risk factors. No assurance can be made that profits will be achieved or that substantial losses will not be incurred.

### Item 9 – Disciplinary Information

PlusTick has no disciplinary history, such as criminal or civil actions in courts, administrative proceedings of the SEC or other federal or state regulatory agencies, or proceedings with self-regulatory organizations to report.

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

PlusTick Partners (GP) LLC (the “General Partner”) serves as the General Partner to PlusTick Partners (QP), LP. Mr. Hill and Mr. Keevil, the principal owners of PlusTick, are the principal owners of the General Partner. Mr. Hill is the Managing Member of the General Partner.

PlusTick does not recommend or select other investment advisers for SMA Clients. However, PlusTick may recommend that SMA Clients invest in one or more of the Funds but has not done so to date. As the sponsor/investment manager of the Funds, PlusTick receives management and performance fees or allocations from these Funds which creates a conflict of interest. All fees will be disclosed to the SMA Clients in advance of their investment in a Fund.

PlusTick’s employees, affiliates or their related persons may also invest directly in some or all of the Funds. In addition, as PlusTick manages multiple Clients, it may have conflicts of interest in allocating time and resources to such other Clients. As a result of the foregoing, PlusTick and its personnel may have conflicts of interest in allocating their time and activity between Clients, in allocating investments among Clients and other entities, and in effecting transactions between Clients and other entities, including ones in which PlusTick or its personnel may have a greater financial interest. To address these potential conflicts of interests in its material relationships, the Adviser has adopted policies and procedures, including a Code of Ethics (the “Code”) (as described in *Item 11*). Under the Code, in general, all personnel of PlusTick, including directors, officers, and employees of PlusTick, must put the interests of PlusTick’s Clients first and must act honestly and fairly in all respects in dealings with Clients. For a more detailed discussion of the Code and conflicts of interest policies, please see *Item 11*.

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

### Code of Ethics

PlusTick has adopted the Code that is applicable to all employees, particularly employees with access or knowledge of Clients' investments ("Access Persons"). Among other things, the Code requires PlusTick and its employees to act in Clients' best interests, abide by all applicable regulations, and follow PlusTick's personal securities transactions policy. It is the obligation of PlusTick employees to adhere not only to the specific provisions of the Code, but also to the general principles that guide the Code. PlusTick puts the interest of its Clients ahead of its own. PlusTick's restrictions on personal securities trading apply to all employees, as well as employees' family members living in the same household. A copy of the Code is available upon request.

PlusTick's Code of Ethics generally includes the following general principles:

- PlusTick owes a fiduciary obligation to all clients, and therefore, PlusTick's Access Persons have a duty to act in a manner that supports this obligation.
- Access Persons have the duty at all times to place the interests of all Clients first and foremost.
- Access Persons must refrain from taking inappropriate advantage of their positions with PlusTick.
- Access Persons must conduct their securities transactions in personal accounts in a manner that avoids conflicts or the appearance of conflicts of interest or abuses of their position of trust and responsibility.
- Access Persons must avoid actions or activities that allow (or appear to allow) them or their immediate families to benefit from their positions with PlusTick, at the expense of Clients, or that bring into question their independence or judgment.
- Access Persons must comply with all applicable Federal Securities Laws.

PlusTick's employees are required to certify their compliance with the Code on an annual basis.

Any proposed employee transaction involving reportable transactions, with the exception of Exchange Traded Funds, including making an investment in a private placement, requires pre-clearance. It is PlusTick's policy that if a conflict arises, the instance will be resolved in the favor of the Client to the full extent that is possible given the specific circumstances, and that appropriate measures will be taken to document the issue, add new policies and procedures where relevant, and enforce the matter with all employees of PlusTick.

### Recommending, or Buying or Selling for Client Accounts, Securities in which PlusTick or its Related Persons Have Material Financial Interests



PlusTick does not act as principal in any transactions. PlusTick has adopted a personal trading policy and procedure to protect against these material conflicts. No employee of PlusTick is permitted to transact in any security to the detriment of any Client or Investor.

Recommending or Buying or Selling for Client Accounts, Securities at or about the Same Time PlusTick or its Related Persons Buy or Sell the Same Securities for Their Own Accounts.

PlusTick and its related persons do not enter into securities transactions with Clients. Employees are encouraged to invest side by side along with Clients and in PlusTick's strategy by investing in one or more of its Funds.

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## Item 12 – Brokerage Practices

PlusTick is authorized to determine the broker or dealer to be used for each securities transaction for Client. In selecting brokers or dealers to execute transactions, PlusTick need not solicit competitive bids and does not have an obligation to seek the lowest available commission cost. It is not PlusTick's practice to negotiate "execution only" commission rates, thus the Clients may be deemed to be paying for research, brokerage or other services provided by the broker which are included in the commission rate.

In selecting a broker PlusTick may consider a number of factors, including:

- execution capability,
- net price,
- reliability and financial stability,
- clearance and settlement,
- size of the transaction,
- difficulty of transaction,
- general reputation,
- block trading coverage of a particular security and
- research (including economic forecasts, investment strategy advice, fundamental and
- technical advice on individual securities, valuation advice and market analysis).

Section 28(e) of the Securities Exchange Act of 1934, as amended, is a "safe harbor" that permits an investment manager to use commissions or "soft dollars" to obtain research and brokerage services that provide lawful and appropriate assistance in the investment decision-making process. PlusTick will limit the use of "soft dollars" to obtain research and brokerage services to services which constitute research and brokerage within the meaning of Section 28(e). Research services within Section 28(e) may include, but are not limited to, research reports (including market research); certain financial newsletters and trade journals; software providing analysis of securities portfolios; corporate governance research and rating services; attendance at certain seminars and conferences; discussions with research analysts; meetings with corporate executives; consultants' advice on portfolio strategy; data services (including services providing market data, company financial data and economic data); advice from brokers on order execution; and certain proxy services. Brokerage services within Section 28(e) may include, but are not limited to, services related to the execution, clearing and settlement of securities transactions and functions incidental thereto (i.e., connectivity services between an investment manager and a broker-dealer and other relevant parties such as custodians); trading software operated by a broker-dealer to route orders; software that provides trade analytics and trading strategies; software used to transmit orders; clearance and settlement in connection with a trade; electronic communication of allocation instructions; routing settlement instructions; post trade matching of trade information; and services required by the Securities and Exchange Commission or a self-

regulatory organization such as comparison services, electronic confirms or trade affirmations.

In some instances, PlusTick may receive a product or service that may be used only partially for functions within Section 28(e) (e.g., an order management system, trade analytical software or proxy services). In such instances, PlusTick will make a good faith effort to determine the relative proportion of the product or service used to assist PlusTick in carrying out its investment decision-making responsibilities and the relative proportion used for administrative or other purposes outside Section 28(e). The proportion of the product or service attributable to assisting PlusTick in carrying out its investment decision-making responsibilities will be paid through brokerage commissions generated by Client transactions and the proportion attributable to administrative or other purposes outside Section 28(e) will be paid for by PlusTick from its own resources.

Research and brokerage services obtained by the use of commissions arising from the Client's portfolio transactions may be used by PlusTick in its other investment activities and thus, a Client may not necessarily, in any particular instance, be the direct or indirect beneficiary of the research or brokerage services provided.

Because many of those services could benefit PlusTick, it may have a conflict of interest in allocating Client brokerage business. In other words, PlusTick could have an incentive to execute Client transactions through a broker or dealer that provides valuable services or products and pay transaction commissions charged by that broker or dealer which may be higher than PlusTick might otherwise be able to negotiate. PlusTick could also have an incentive to cause Clients to engage in more securities transactions than would otherwise be optimal in order to generate soft dollars with which to acquire research products and services.

Although PlusTick will make a good faith determination that the amount of commissions paid is reasonable in light of the products or services provided by a broker, commission rates are generally negotiable and thus, selecting brokers on the basis of considerations that are not limited to the applicable commission rates may result in higher transaction costs than would otherwise be obtainable. The receipt of such products or services and the determination of the appropriate allocation in the case of "mixed use" products or services creates a potential conflict of interest between PlusTick and its Clients.

In selecting brokers and negotiating commission rates, PlusTick will take into account the financial stability and reputation of brokerage firms, and the research, brokerage or other services provided by such brokers. PlusTick may place transactions with a broker or dealer that refers potential Investors to the Funds advised by PlusTick (or an affiliate), if otherwise consistent with seeking best execution; provided PlusTick is not selecting the broker-dealer in recognition of the referral of potential Investors.

When appropriate, PlusTick may, but is not required to, aggregate Client orders to achieve more efficient execution or to provide for equitable treatment among accounts. Clients participating in aggregated trades will generally be allocated securities based on the average price achieved for such trades. More specifically, each Client that participates in an aggregated order will participate at the average share price for all of PlusTick's transactions in that security or other instrument on a given business day and transaction costs will be shared pro rata based on each Client's participation in the transaction. No Client will be favored over any other Client as a result of such

aggregation. Brokerage commission rates will not be reduced because of such aggregation. In some instances, average pricing may result in higher or lower execution prices than otherwise obtainable by a single Client. PlusTick believes that its aggregation policy is lawful and consistent with its duty to seek best execution for all its Clients.

During the last fiscal year, PlusTick directed Client transactions to particular brokers based on each broker's reputation, financial strength and stability, efficiency of execution and error resolution, the size of the transaction and the market for the security, and the comprehensiveness and frequency of available research services and products provided by the broker.

JP Morgan Securities (the "Prime Broker") is the current Prime Broker for PlusTick.

PlusTick's authority may be subject to conditions imposed by a Client, examples of which may include: (i) where the Client restricts or prohibits transactions in a certain industry, issuer or security and/or (ii) where the Client directs that some or all account transactions be effected through specific brokers or dealers. In the latter case, the Client is responsible for negotiating the terms and conditions (including, but not limited to, commission rates) relating to all services to be provided by such brokers. PlusTick will assume no responsibility for obtaining the best prices or any particular commission rates for transactions with or through any such broker for such Client's account. A Client must recognize that it may not obtain rates as low as it might otherwise obtain if Adviser had discretion to select brokers or dealers other than those chosen by the Client. Any Client providing instructions to Adviser regarding direction of brokerage transactions must notify Adviser in writing if the Client desires PlusTick to cease executing transactions with or through any such broker or dealer.

### Item 13 – Review of Accounts

PlusTick continuously reviews holdings across Fund and SMA Client accounts. An account-by-account review is conducted quarterly or more frequently as necessary. These reviews will focus on appropriateness of the investments for the Fund’s portfolio and the performance of the Fund. Investors in the Funds generally receive, among other things, a copy of audited financial statements of the Fund within 120 days after the fiscal year end of the Fund. In addition, Investors in the Funds will typically receive unaudited summary financial information regarding their investment in the Fund on a monthly basis. Investors in the Fund also receive regular reporting updates through letters and investor meetings. SMA Clients generally receive reports from the custodian.

### Item 14 - Client Referrals and Other Compensation

#### Client Referrals

PlusTick currently does not enter into referral agreements.

#### Other Compensation

PlusTick does not receive other compensation other than the management and performance fees related to its advisory services provided to Clients.

### Item 15 – Custody

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

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

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

#### Item 16 – Investment Discretion

PlusTick has discretionary authority to determine the investments to be bought or sold and the amounts to invest for Client accounts, pursuant to the respective investment advisory agreements between PlusTick (or its affiliates) and the Client.

#### Item 17 – Voting Client Securities

PlusTick votes all proxies on behalf of each account over which PlusTick has proxy voting authority based on PlusTick's determination of such account's best interests. In determining whether a proposal serves an account's best interests, PlusTick considers a number of factors, including:

- the proposal's economic effect on shareholder value;
- the threat that the proposal poses to existing rights of shareholders;
- the dilution of existing shares that would result from the proposal;
- the effect of the proposal on management or director accountability to shareholders; and
- if the proposal is a shareholder initiative, whether it wastes time and resources of the company or reflects the grievance of one individual.

PlusTick abstains from voting proxies when it believes that it is appropriate to do so.

If a material conflict of interest over proxy voting arises between PlusTick and a Client, PlusTick will vote all proxies in accordance with the policy described above. If PlusTick determines that this policy does not adequately address the conflict of interest, PlusTick will notify the Client of the conflict and request that the Client consent to PlusTick's intended response to the proxy solicitation. If the Client consents to PlusTick's intended response or fails to respond to the notice within a reasonable time specified in the notice, PlusTick will vote the proxy as described in the notice. If the Client objects in writing to PlusTick's intended response, PlusTick will vote the proxy as the Client directs.

A Client can obtain a copy of PlusTick's proxy voting policy and a record of votes cast by PlusTick on behalf of that Client by contacting PlusTick at 434-977-9229 or by sending an email to [info@plustickpartners.com](mailto:info@plustickpartners.com).

**Item 18 – Financial Information**

PlusTick is not required to include a balance sheet for its most recent financial year, is not aware of any financial condition reasonably likely to impair its ability to meet contractual commitments to Clients and has not been the subject of a bankruptcy petition at any time during the past ten years.