

PART 2A OF FORM ADV:  
(the “Part 2A” or the “Brochure”)

SCIENCAST MANAGEMENT LP

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March 31, 2023

This Brochure provides information about the qualifications and business practices of Scienecast Management LP (“Scienecast”). If you have any questions about the contents of this Brochure, please contact us at (609) 917-3296. 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 Scienecast also is available on the SEC’s website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). Free and simple tools are available to you to review Scienecast and its financial professionals at [Investor.gov/CRS](http://Investor.gov/CRS), which also provides free educational materials about broker-dealers, investment advisers, and investing.

Although this document may refer to Scienecast as “registered” or a “registered investment adviser,” registration does not imply a certain level of skill or training.

## **Item 2: Material Changes**

Since our Brochure dated March 31, 2022, Sciencast Management LP has made material updates to several sections of the Brochure to reflect closure of the Sciencast Fund and its feeder funds and the related general partner, as well as certain updated business practices.

Item 5, Fees and Compensation, was updated to describe a fixed fee option in addition to the more traditional asset-based fee arrangement.

Item 8, Methods of Analysis, Investment Strategies and Risk of Loss, was updated to remove risks specific to the structure of the Sciencast Funds.

Item 10: Other Financial Industry Activities and Affiliations, was updated to reflect the closure of the Sciencast Fund general partner.

Item 11: Code of Ethics, Participation in Client Transactions & Personal Trading was updated to remove references to conflicts specific to the role of fund sponsor.

Additionally, other language changes were made to portray services and practices more broadly, such as replacing “the Fund” with “clients”, across the following sections:

- Item 4: Advisory Business;
- Item 6: Performance-based Fees and Side-by-side Management;
- Item 12: Brokerage Practices;
- Item 13: Review of Accounts;
- Item 14: Client Referral and Other Compensation;
- Item 15: Custody;
- Item 16: Investment Discretion; and
- Item 17: Voting Client Securities.

This item discusses only specific material changes that are made to this Brochure since its last update. Minor updates and clarifications occur throughout this document and we encourage you to review the full Brochure. Sciencast will distribute to you a summary of any material changes to this and subsequent Brochures promptly as necessary.

A current Brochure may be requested, free of charge, by contacting us by phone at [telephone number] or via email at [email address]. Additional information about Sciencast and its employees is available on the SEC’s websites [adviserinfo.sec.gov](http://adviserinfo.sec.gov) and [Investor.gov/CRS](http://Investor.gov/CRS).

### **Item 3 – Table of Contents**

Item 1: Cover Page.....	1
Item 2: Material Changes.....	2
Item 3 – Table of Contents.....	3
Item 4 – Advisory Business .....	4
Item 5: Fees and Compensation.....	5
Item 6: Performance-Based Fees and Side-By-Side Management.....	6
Item 7: Type of Clients.....	6
Item 8: Methods of Analysis, Investment Strategies and Risk of Loss .....	6
Item 9: Disciplinary Information .....	11
Item 10: Other Financial Industry Activities and Affiliations .....	11
Item 11: Code of Ethics, Participation in Client Transactions & Personal Trading.....	11
Item 12: Brokerage Practices .....	12
Item 13: Review of Accounts.....	14
Item 14: Client Referral and Other Compensation .....	14
Item 15: Custody.....	15
Item 16: Investment Discretion.....	15
Item 17: Voting Client Securities .....	15
Item 18: Financial Information .....	15

## **Item 4 – Advisory Business**

### *Item 4.A*

Sciencast Management LP (“Sciencast”), a Delaware limited partnership based in New Jersey. Founded in March 2014 by Qing Li, who is the principal owner, Sciencast serves as investment adviser to private pooled investment vehicles.

### *Item 4.B*

Sciencast’s investment objective is to seek superior risk-adjusted returns by using financial modeling along with sophisticated statistical testing to extract persistent patterns from complex characteristics.

Sciencast invests in the U.S. stock market and may also invest in international equities and other assets. Specifically, only publicly traded companies with substantial market capitalization and considerable daily trading volume are candidates for investment. Subject to the mandate reflected in client investment management agreements, Sciencast may purchase or sell short a variety of financial instruments including, but not limited to, common and preferred stock, depository receipts, warrants, rights, debt securities (including senior, subordinated, secured, unsecured and defaulted debt securities), convertible debt securities, convertible preferred stock, bank loans, loan participations and trade claims, limited partnership interests, limited liability company membership interests, private placements and other restricted securities, securities of privately held companies, equity lines of credit, equity related convertible securities, interest-bearing or interest rate sensitive marketable securities (including those issued or guaranteed by the U.S. Government or agencies or instrumentalities of the U.S. Government), currencies, futures contracts, forward contracts, physical commodities, credit default and other swaps, put and call options on the foregoing and other derivatives and other instruments of U.S. and non-U.S. issuers and other securities and investments, in each case of every kind and character, traded or not traded on U.S. and non-U.S. markets (including over-the-counter markets) and exchanges.

### *Item 4.C*

Sciencast makes all investment decisions pursuant to the terms of an investment management agreement between each client and Sciencast. Sciencast’s primary responsibilities are to identify, review, and select investment opportunities that it believes will achieve client investment objectives. This requires Sciencast to monitor investments and determine whether to modify investment allocations.

### *Item 4.D*

Sciencast does not participate in wrap fee programs.

### *Item 4.E*

As of March 1, 2023, Sciencast managed on a discretionary basis approximately \$200,000,000. Sciencast does not manage any assets on a non-discretionary basis.

## **Item 5: Fees and Compensation**

### *Item 5.A*

#### Fixed Advisory Fees

Under certain investment management agreements, Sciencast is compensated for its services through a combination of expense pass-through and performance-based compensation. Under this agreement, the client pays Sciencast a monthly expense payment to cover certain agreed upon expenses which may include expenses typically paid by the adviser from an asset-based fee (e.g., rent, salaries, and operating expenses and salaries). Expense payments are payable monthly in advance and are prorated for partial periods. Expense payments are subject to ongoing review and may be adjusted upward or downward, subject to the mutual agreement of Sciencast and the client, in accordance with operations or the services provided.

#### Asset-based Advisory Fees

Sciencast also may be compensated for its services through a combination of an asset-based advisory fee and performance-based compensation, subject to the terms of an investment management agreement between Sciencast and each client. Asset-based fees are typically calculated and payable quarterly in advance as of the beginning of each quarter, at an annual rate of up to two percent (2.00%) of investable assets. Asset-based fees are negotiable based on a range of factors including, but not limited to the size of the account, related accounts, the complexity of the strategy and/or the service level of the overall relationship.

Sciencast may in the future enter into other advisory agreements at different terms and fee rates than those offered to current clients.

Performance-based fees are described further in Item 6, below.

### *Item 5.B*

All advisory fees are deducted from client assets monthly or quarterly in advance as of the beginning of each quarter. Amounts accepted after the commencement of a calendar quarter will be subject to a pro-rated fee.

### *Item 5.C*

Advisory and performance-based fees payable to Sciencast do not include all the fees paid by clients. Additional expenses paid by clients to third parties include brokerage commissions, mark-ups or mark-downs, or other transactions fees; advisory fees and administrative costs charged by portfolio holdings such as mutual funds, custodial fees; and wire transfer and/or other electronic fund processing fees.

For more information on brokerage and transaction costs discussed above, please refer to *Item 12: Brokerage Practices*.

### *Item 5.D*

Clients pay advisory fees monthly or quarterly in advance. Advisory fees will be prorated for any capital withdrawal/redemption by a client that is effective other than as of the last day of a calendar period.

#### *Item 5.E*

Sciencast and their supervised persons do not accept any compensation (e.g., brokerage commissions) for the sale of securities or other investment products.

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

Sciencast has entered into performance-based fee arrangements with clients subject to Section 205(a)(1) of the Investment Advisers Act of 1940 and Rule 205-3 thereunder. In measuring clients' assets for the calculation of performance-based fees, Sciencast includes realized and unrealized capital gains and losses. Performance-based fee arrangements may create an incentive for Sciencast to recommend investments that may be riskier or more speculative than those which would be recommended under a different fee arrangement. Such fee arrangements also create an incentive to favor higher fee-paying accounts over other accounts in the allocation of investment opportunities. Sciencast has procedures designed to ensure that all clients are treated fairly and to mitigate this conflict from influencing the allocation of investment opportunities among clients. Investment opportunities are typically allocated *pari passu*.

#### **Item 7: Type of Clients**

Sciencast currently provides investment management services exclusively to private pooled investment vehicles, with minimums established on a case-by-case basis. Investors in such vehicles must be “accredited investors” as defined in Regulation D of the Securities Act of 1933 and typically “qualified clients” as defined in Rule 205-3 under the Investment Advisers Act of 1940. Additionally, prospective investors also must meet minimum investment and other eligibility criteria established by the vehicle.

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

##### *Item 8.A*

The financial modeling involves all aspects of an investment's financial characteristics and will include analyzing general price and volume patterns, studying event driven phenomena, and examining the micro-structure of stock markets. These independent and diverse models yield multiple signals that cover a wide range of attributes of stock return forecasts. The forecasts are then combined into a consolidated portfolio for trading using a specialized and exceptionally fast interior-point optimization framework, which is based on years of academic research.

Sciencast employs several layers of risk management to attempt to attain superior and consistent risk-adjusted returns, while limiting potential downside. First, Sciencast uses an in-house built risk model that is tailored for the specific investment universe. This model utilizes fundamental cross-sectional risk components such as value, size and industry factors, and also calculates additional statistical risk factors in order to capture abrupt market regime changes and sudden equity return co-movements. Secondly, a risk model is not complete if it doesn't have any forward-looking component that evaluates the risk in the next period. Therefore, predictive signals such as VIX are used to complement the risk model to better gauge the complete risk of the portfolio. Thirdly, Sciencast also adopts strict trading risk checks along various dimensions. These

restrictions include instantaneous checks, rolling window checks, and grand total checks, and are applied to the individual order level, the individual position level, and at the portfolio level as well. Such restrictions, especially on how large a single position can be in both absolute term and in relative term as a percentage of a stock's liquidity, make certain that the final portfolio is extremely liquid and well diversified. Last but not least, Sciencast employs a systematic approach to control drawdown risk. Under extreme market conditions, Sciencast may prudently reduce book size using a methodical process without the interference of human emotions.

On the business operations side, Sciencast uses multiple layers of redundancies including cloud computing and remote storage to facilitate disaster recovery procedures and ensure business continuity. In addition, the business has multiple reconciliations in place in order to ensure the trade lifecycle is completed from beginning to end.

#### *Item 8.B and C*

**General Investment Risks.** All investments risk the loss of capital. There can be no assurance that client investment programs will be successful or that investments will increase in value. Investors could lose their entire investment.

**Performance-based Fee.** The allocation of a percentage of net profits to Sciencast creates an incentive for Sciencast to make investments on behalf of clients that are riskier or more speculative than would be the case if this allocation was not made.

**Dependence on Key Management Personnel.** Continued service of key individuals of Sciencast are not guaranteed and their loss could have a material adverse effect on the the implementation of Sciencast's investment strategies.

**Recent Developments in Financial Markets.** Unforeseen developments in the global financial markets, such as legal, regulatory, reputational, and other unforeseen risks, may adversely affect clients and/or Sciencast's business and operations.

**Financial Market Fluctuations.** General fluctuations in interest rates and the market prices of securities and other assets may adversely affect the value of investments.

**Market Conditions.** Market conditions are uncertain and create risk that Sciencast may not be able to plan for or mitigate.

**Counterparty Risk.** Sciencast may enter into counterparty transactions that expose clients to the risk of counterparty default that is unpredictable and may not be anticipated or otherwise adequately addressed.

**Bankruptcy of Broker-Dealers.** While, in the event of the bankruptcy of a broker-dealer, some assets may be protected, subject to the applicable limit, clients could be at risk of loss for any amounts to the extent that the broker-dealer does not maintain insurance sufficient to cover any amounts owed.

**Confirmation, Settlement, and Operational Risks.** Sciencast, on behalf of clients, may enter into "over the counter" or otherwise non-standard transactions that may burden Sciencast's abilities to manage client portfolios and incur the risk of system failure, error, loss due to the failure of the counterparty to confirm the trade, and litigation expenses with no guarantee of recovery.

***Systems Risk.*** Sciencast relies on computer programs, Sciencast’s internal infrastructure and services, and data provided by third parties in its investment operations. Any defect or failure of such services could have a material adverse effect on clients.

***Risk Control Framework.*** No risk control system is fail safe, and no assurance can be given that any risk control framework designed or used by Sciencast will achieve its objective.

## **Risks Relating to Client Investment Programs**

***Nature of Investments.*** There can be no assurance that Sciencast will correctly evaluate the nature and magnitude of the various factors that could affect the value of and return on investments or that clients will achieve their investment objective.

***Non-U.S. Securities.*** Investments made outside the United States involve additional risks, including currency fluctuations, different financial accounting and auditing standards, different market and/or regulatory provisions, limited investor protections, limitations on shareholder rights and remedies, liquidity limitations, lack of transparency, and possible political and economic volatility. These risks can be higher when investing in less developed, and often less transparent, emerging markets.

***Currency Risks.*** Sciencast invests in highly volatile, specialized markets with investments denominated in non-U.S. currency and in other financial instruments. Dramatic fluctuations in the value of a country’s currency could have an adverse impact on the profitability of investments.

***Public Market Illiquidity; Illiquidity of Investments.*** Sciencast may invest in instruments issued, as well as assets of, privately held companies and individuals in emerging markets. Such investments may be more illiquid than investments in more established markets, and Sciencast or clients may be required to establish special custodial or other arrangements before making certain investments in those countries.

***High Yield Securities.*** Sciencast may invest in preferred securities which are rated in the lower rating categories by the various credit rating agencies that are subject to higher risk of loss of principal and interest and are considered speculative.

***Investments in Undervalued Assets.*** Sciencast may invest in undervalued assets. These investments involve a high degree of financial risk and can result in substantial losses. An investor should be aware that it may lose all or part of its investments.

***Derivative Instruments.*** Sciencast may use various derivative instruments which may be volatile and speculative, and which may be subject to wide and sudden fluctuations in market value, with a resulting fluctuation in the amount of profits and losses. Use of derivative instruments presents various risks, including the following:

***Tracking*** – When used for hedging purposes, an imperfect or variable degree of correlation between price movements of the derivative instrument and the underlying investment sought to be hedged may prevent Sciencast from achieving the intended hedging effect or expose clients to the risk of loss.

***Liquidity*** – Derivative instruments may not be liquid in all circumstances, so that Sciencast may not be able to close out a position without incurring a loss. Daily limits on price fluctuations and speculative positions limits on exchanges may prevent prompt liquidation of positions, subjecting clients to the potential of greater losses.



*Leverage* – The leverage offered by trading in derivative instruments may magnify the gains and losses experienced and could cause client portfolios to be subject to wider fluctuations.

*Over-the-Counter-Trading* – The risk of nonperformance by the obligor on over-the-counter options may be greater, while disposing of or entering into closing transactions with respect to such an instrument may be harder than in the case of an exchange-traded instrument. Many of the protections afforded to participants in a regulated environment may not be available in connection with such transactions.

***Futures Trading Is Speculative.*** Sciencast may engage in highly speculative futures trading, subject to the traditional volatility and rapid fluctuation in the market prices. The effects of governmental intervention may cause these markets to move rapidly, upsetting the prediction of fluctuations in market prices, adversely affecting investments.

***Futures Trading Is Highly Leveraged.*** The low margin deposits normally required in futures trading permit an extremely high degree of leverage. Accordingly, a relatively small price movement in a futures contract may result in immediate and substantial loss or gain.

***Options.*** Options are highly speculative, and if the right conditions are not met, clients may lose part or all of their investment in the option, or in the event of the bankruptcy of a broker, may experience delays and/or losses in liquidating open positions purchased or sold through the broker.

***Lack of Diversification.*** Client portfolios are not as diversified as other investment vehicles, and so subject to more rapid change in value than would be the case if they were required to maintain a wider diversification.

***Hedging.*** Sciencast may attempt to hedge some of the market and credit risks inherent in its strategy, but may not be successful.

***Leverage.*** Portfolios may engage in various leveraging techniques that will also increase the risk of loss on such investments.

***Projections.*** Sciencast may make investments relying upon projections that are inherently uncertain and subject to factors beyond the control of Sciencast, the failure of which could impair the ability of clients to meet their investment objectives.

***Limited Liquidity of Assets / Uncertain Exit Strategies.*** Client portfolios may include illiquid securities and other financial instruments or obligations, the liquidation of which at distressed prices could result in significant losses. Thus, Sciencast will be unable to predict with absolute confidence what the exit strategy ultimately will be for any given position, or that one definitely will be available.

***Distributions in Kind / Liquidating Interest.*** The in kind distributions an investor may receive upon withdrawing may be illiquid and subject to the risk of depreciation. An investor may not be able to dispose of such investments and their value determined by Sciencast for purposes of the determination of distributions may not be realized.

***Cybersecurity Risks.*** We and our clients depend on telecommunications and information technology, whether ours or those of others such as custodians, financial intermediaries, transfer agents and other parties to which we or they outsource the provision of services or business operations. These systems may fail to operate properly or become disabled as a result of events or

circumstances wholly or partly beyond our or their control. Further, despite implementation of a variety of risk management and security measures, our information technology and other systems, and those of others, could be subject to unauthorized tampering or other security breaches resulting in a failure to maintain the security, availability, integrity and confidentiality of data assets. Technology failures or cyber security breaches, whether deliberate or unintentional, including those arising from use of third-party service providers or client usage of systems to access accounts, could have a material adverse effect on our business or our clients and could result in, among other things, financial loss, reputational damage, regulatory penalties or the inability to transact business.

***Natural Disasters and Acts of War or Terror.*** Areas in which Sciencast has offices or where it otherwise does business are susceptible to natural disasters and epidemics, pandemics or other outbreaks of serious contagious diseases (“natural disasters”). The occurrence of a natural disaster could adversely affect and severely disrupt the business operations, economies and financial markets of many countries (even beyond the site of the natural disaster) and could adversely affect Sciencast’s investment program and its ability to do business. In addition, terrorist attacks, or the fear of or the precautions taken in anticipation of such attacks, could, directly or indirectly, materially and adversely affect certain industries in which Sciencast invests or could affect the areas in which Sciencast has offices or where its otherwise does business. Other acts of war (e.g., invasion, acts of foreign enemies, hostilities and insurrection, regardless of whether war is declared) could also have a material adverse impact on the financial condition of industries or countries in which Sciencast invests.

Sciencast has a business continuity plan that was designed to address interruptions in our normal business operations. While we believe our plan is adequate to allow for the continued operations of our business, there is a risk that certain natural or unnatural events that have not been anticipated may impact our operations for a period of time, where Sciencast is unable to provide continuous investment advisory services. Such examples include but are not limited to terrorist attacks and global pandemics.

***Alternative Data.*** Sciencast may use alternative data in its investment process: datasets that have been culled from a variety of sources such as internet usage, payment records, financial transactions, weather and other physical phenomena, applications and devices (such as smartphones) that generate location and mobility data, data gathered by satellites, and government and other public records databases. These data are sometimes referred to as “big data” or “alternative data.” Sciencast applies these alternative data to better anticipate micro- and macro-economic trends and otherwise to develop or improve trading or investment themes.

The analysis and interpretation of alternative data involves a high degree of uncertainty and may entail significant expense, including technological efforts. No assurance can be given that Sciencast will be successful in utilizing alternative data in its investment process. Moreover, there has been increased scrutiny from a variety of regulators regarding the use of alternative data in this manner, and its use or misuse under current or future laws and regulations could create limitations and liability in numerous jurisdictions. Sciencast cannot predict what, if any, regulatory or other actions may be asserted with regard to alternative data, but any adverse inquiries or formal actions could cause reputational, financial, or other harm. Conversely, any future limitations on the use of

alternative data could have a material adverse impact on Sciencast's ability to execute certain strategies.

### **Item 9: Disciplinary Information**

Sciencast is not aware of any legal or disciplinary events that are material to a client's or prospective client's evaluation of Sciencast's advisory business or the integrity of Sciencast management.

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

#### *Item 10.A and B*

Neither Sciencast nor any of its management persons are registered, or have an application pending to register, as a broker-dealer, a futures commission merchant, a commodity pool operator, a commodity trading advisor, or as a registered representative or an associated person of the foregoing entities.

#### *Item 10.C*

Neither Sciencast nor its management persons maintain any relationships or arrangements with other financial services firms that is material to its advisory business or to its clients.

#### *Item 10.D*

We do not recommend or select other advisers for clients.

### **Item 11: Code of Ethics, Participation or Interest in Client Transactions & Personal Trading**

#### *Item 11.A*

Sciencast has adopted a Code of Ethics ("Code") that governs a number of potential conflicts of interest Sciencast has when providing advisory services. The Code is designed to encourage a culture of compliance within Sciencast through ethical practices and conduct. The Code covers a variety of guidelines and requirements concerning, among other topics:

- the prohibition of trading of securities while in possession of material non-public information;
- pre-clearance and reporting of securities transactions by employees;
- restrictions or prohibitions on acquisitions of certain kinds of securities;
- the monitoring of employee outside business affiliations;
- tracking the giving and receiving of gifts and entertainment;
- monitoring and restricting political contributions, when and as required; and
- the maintenance of confidentiality of investment, investor, and employee information.

The Code is designed to assure that the personal securities transactions, activities and interests of our employees will not interfere with Sciencast making decisions in the best interest of its clients.

The Code requires pre-clearance of non-exempt transactions and personal securities transactions of Sciencast's employees. Employee trading is monitored under the Code.

New employees receive training in the policies of the Code upon their arrival at Sciencast, and all employees must acknowledge the terms of the Code and update their personal trading account information and other required disclosures on an annual basis or as required by law.

Sciencast will provide a copy of the code of ethics to any client or prospective client upon request by contacting us at (609) 917-3296.

#### *Item 11.B*

Sciencast does not recommend to advisory clients, or buy or sell for client accounts, securities in which Sciencast or its related person has a material financial interest.

#### *Item 11.C & D*

Sciencast employees may buy or sell securities that are also held by clients, but may not trade their own securities ahead of client trades and must otherwise comply with their fiduciary duty to place client interests first, the principles and strictures of the Firm's Code of Ethics and other policies and procedures. Employees of Sciencast are prohibited from trading on behalf of their personal accounts or any client account on the basis of any material, non-public information. Sciencast has implemented policies and procedures designed to prohibit trading while in possession of material, non-public information.

### **Item 12: Brokerage Practices**

#### *Item 12.A*

It is the policy of Sciencast to seek to obtain best execution when effecting transactions on behalf of clients. In determining which broker-dealer generally provides the best available price and most favorable execution, Sciencast considers a totality of circumstances, including the broker-dealer's research capabilities and the success of prior research recommendations, ability to execute difficult trades (possible market impact, size of the order and market liquidity), commitment of capital, access to new issues, nature and frequency of sales coverage, depth of services provided, including economic or political coverage, arbitrage and option operations, back office and processing capabilities, financial stability and responsibility, reputation, access to markets, confidentiality, commission rate and responsiveness to Sciencast and the value of research and brokerage and research products and services provided by such broker-dealers. In addition, Sciencast has the authority to execute trades with brokers and dealers with whom Sciencast has other business relationships, including prime brokerage and credit relationships. However, Sciencast does not intend for these other relationships to influence the choice of brokers and dealers who execute trades for clients.

Sciencast has the option to use soft dollars generated by clients to pay for investment research and brokerage services. Sciencast limits the use of such soft dollar credits to obtain products and services that fall within the safe harbor afforded by Section 28(e) of the Exchange Act.

The use of brokerage commissions to obtain investment research services and to pay for the administrative costs and expenses of Sciencast creates a conflict of interest between Sciencast and

clients because clients pay for such products and services that are not exclusively for their own benefit, and may be primarily or exclusively for the benefit of Sciencast and other clients. To the extent that Sciencast is able to acquire these products and services without expending its own resources (including advisory fees), Sciencast's use of "soft dollars" would tend to increase Sciencast's own profitability. In addition, the availability of these non-monetary benefits may influence Sciencast to select one broker rather than another to perform services for clients.

Sciencast has established policies to mitigate conflicts of interest which arise in connection with the selection of brokers and the use of soft dollars, including:

- a) establishing a policy relating to client order placement, selection of broker-dealers, order allocation, trading practices, and other brokerage-related topics that may arise;
- b) monitoring client order placement to ensure that Sciencast's policies on client order placement are observed;
- c) conducting periodic reviews of trading activity to better understand and monitor best execution;
- d) establishing appropriate guidelines for reviewing and approving broker-dealers;
- e) reviewing exceptions to established guidelines, policy or dollar limits;
- f) conducting a periodic review of any errors made in client order placement;
- g) overseeing implementation of the brokerage policies adopted; and
- h) recommending action to be taken to resolve client account errors.

Sciencast does not have any "directed brokerage" relationships.

### **Trade Errors**

From time to time, a trade error can occur in connection with the investment activities of clients. In case of a trade error caused by the broker executing a particular trade, Sciencast will use commercially reasonable efforts to hold the particular broker responsible. In the case of a trade error caused by Sciencast, Sciencast will determine whether to have any costs or losses arising from the trade error borne by the client, or by Sciencast, by applying the relevant standard of liability as set forth in the applicable client agreement. Sciencast will generally be obligated to reimburse a client for any trade error resulting from the Sciencast's gross negligence. Sciencast will have a conflict of interest in determining the resolution of any trade error and it will attempt to resolve any such conflict by making a good faith, objective determination of the status of any trade error under the applicable liability standard. Trade error costs can be significant, including market losses resulting from the position incorrectly acquired as well as the additional brokerage costs of closing out or reversing the error. The opportunity cost (lost profits) of not having made a trade intended to be made is not considered a trade error cost. Any gains recognized on a trade error will be for the benefit of the affected client and none will be retained by Sciencast (other than any performance-based fee as set forth in that client's investment management agreement).

### *Item 12.B*

#### **Trade Aggregation and Allocation**

In some circumstances, it may be appropriate to buy or sell an investment on behalf of more than one client account at one time or over a period of time. In these circumstances, and as a general matter, Sciencast believes that the aggregation of orders for multiple advisory clients is consistent with its duty to seek best execution for its clients. Aggregation of trades generally facilitates more efficient and less costly execution by enabling us to negotiate transactions on a consolidated basis rather than dealing with multiple smaller lots in investment types that normally trade in significant and/or pre-set blocks. Sciencast will consider various criteria in the future in deciding when trades for more than one client should be aggregated, should the need to do so arise.

#### **Directed Brokerage**

Sciencast does not permit clients to direct brokerage.

#### **Brokerage for Client Referrals**

Sciencast does not consider, in selecting broker-dealers, whether the Firm receives client referrals from that broker-dealer or related third party.

### **Item 13: Review of Accounts**

#### *Item 13.A and 13.B*

All accounts are reviewed on a regular basis to determine their conformity with risk parameters, investment objectives, and guidelines. The client fund administrator and portfolio manager receive frequent updates of portfolio positions and transactions. Sciencast reviews the overall investment objective and performance with portfolio managers not less than annually.

#### *Item 13.C*

Sciencast provides to client fund portfolio managers unaudited monthly reports showing the investor's account value, and other periodic reports providing fund and market commentary.

### **Item 14: Client Referral and Other Compensation**

#### *Item 14.A*

Sciencast does not receive any economic benefit from anyone other than its clients as a result of the provision of investment advice or other advisory services.

#### *Item 14.B*

Sciencast does not compensate any person who is not an employee for client referrals. However, Sciencast in the future may enter into such arrangements where, in return for a referral, Sciencast may pay the third-party a one-time or ongoing fee based upon the value of the referral's investment (or a similar arrangement). Any such arrangement will be disclosed to relevant clients.

**Item 15: Custody**

Sciencast is deemed to have custody of client assets only to the extent of being able to debit management fees from client accounts. Physical custody of client assets is maintained by the fund adviser or other client with a qualified custodian.

**Item 16: Investment Discretion**

Sciencast has discretionary authority to manage client assets in a manner that is consistent with the objectives and strategies as set forth in the investment management agreement. Sciencast has the authority to determine, without obtaining specific client consent, the securities to be bought or sold, and the amount of the securities to be bought or sold.

**Item 17: Voting Client Securities**

Sciencast's authority to vote proxies for clients is established by its investment advisory agreements or comparable documents. Typically, Sciencast's authority to vote proxies for clients is not a material component of its investment strategy. Sciencast applies a systematic, quantitative approach to company stocks, reducing the importance and usefulness of proxies. Where the firm votes proxies, Sciencast believes that company management has a more vested interest in company fundamentals and, therefore, that voting proxies consistent with management recommendations generally is in the best interests of its clients. However, Sciencast does not view non-voted proxy ballots to be a material impediment to the execution of its investment strategy or to results for clients.

Nevertheless, Sciencast has established proxy voting policies and procedures and Sciencast's principals monitor the proxy voting process. The proxy voting procedures are designed to ensure that, should proxy ballots be voted, proxies are voted in clients' best interests and include guidelines to identify and resolve conflicts of interests related to voting proxies on behalf of clients.

Clients can obtain information from us regarding how Sciencast voted proxies and can also request a copy of our proxy voting policies and procedures by contacting us at (609) 917-3296.

**Item 18: Financial Information**

Registered investment advisers are required in this Item to provide you with certain financial information or disclosures about the adviser's financial condition. Sciencast does not charge or solicit prepayment of fees six months or more in advance. Sciencast is not required to include a balance sheet for its most recent fiscal year. Sciencast has no financial commitment that is reasonably likely to impair its ability to meet contractual commitments to its clients, and has not been the subject of a bankruptcy proceeding at any time during the past ten years.