

Item 1. Cover Page

Brochure of
Cavalier Investments, LLC
(d/b/a Adaptive Investments)

12600 Deerfield Parkway
Suite 100
Alpharetta, GA 30004

Telephone: 888-721-4588

[gregrutherford@adaptiveinvestments](mailto:gregrutherford@adaptiveinvestments.com)
[.com](http://gregrutherford@adaptiveinvestments.com)

March 1, 2023

This brochure provides information about the qualifications and business practices of Cavalier Investments, LLC ("Cavalier"). If you have any questions about the contents of this brochure, please contact us at 888-721-4588 or gregrutherford@adaptiveinvestments.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 Cavalier Investments doing business as Adaptive Investments also is available on the SEC's website at www.adviserinfo.sec.gov.

Although Cavalier Investments, LLC is a "registered investment adviser," that registration does not imply a certain level of skill or training.

Item 2. Material Changes

This Brochure dated March 1, 2023, amends the previous Brochure dated March 30, 2022. There have been no material changes since the last Brochure update.

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.	Types of Clients	6
Item 8.	Methods of Analysis, Investment Strategies and Risk of Loss.....	6
Item 9.	Disciplinary Information.....	16
Item 10.	Other Financial Industry Activities and Affiliations	16
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	19
Item 14.	Client Referrals and Other Compensation.....	19
Item 15.	Custody	20
Item 16.	Investment Discretion	20
Item 17.	Voting Client Securities	20
Item 18.	Financial Information	21
	Privacy Policy.....	21

Item 4. Advisory Business

Cavalier Investments, LLC (“Adaptive Investments” or the “Adviser”) is a Massachusetts Limited Liability Company formed in 2015. The principal owner of the Adviser is Greg Rutherford. As of December 31, 2022, Adaptive Investments had total regulatory assets under management of \$321,103,739 of which, \$307,895,611 are discretionary.

Fund Management Services

Adaptive Investments provides discretionary investment advisory services through Exchange-Traded mutual funds (“ETF’s” or “Funds”) focused on capital appreciation, income, downside protection and real return.

For certain Funds, sub-advisors assist Adaptive Investments in rendering investment management services pursuant to an investment sub-advisory agreement with Adaptive Investments. The sub-advisors employ their discretionary investment management services according to the investment objective, policies and restrictions established in the prospectus and statement of additional information of the respective Fund sub-advised. For the name of the sub-advisor for each sub-advised Fund, please see the respective prospectus. On at least a quarterly basis, Adaptive Investments performs a review of each sub-advisor and their performance as it relates to the Fund sub-advised and ensure that the Fund is being managed according to the Fund’s investment guidelines.

Portfolio Management Services

Adaptive Investments provides portfolio management services to financial intermediaries by providing asset-allocated model portfolios. Each model portfolio is designed to meet a particular investment goal. Asset class investments are used to construct the portfolios using institutional mutual funds and ETF’s. In selecting these assets, Adaptive Investments gives due consideration to past performance, transaction fees, expense ratios, intrinsic costs, consistency, and management style. Adaptive Investments creates and maintains model portfolios that range from conservative to aggressive and are designed to meet the varying needs of the investor. The investment advisor representative, together with his/her client, selects the Adaptive Investments model portfolio to invest in based on the client’s specific investment objective, risk tolerance and time horizon. Investments are considered to be long-term in nature, and investors should expect to remain fully invested in their selected asset-allocated model portfolio(s) at all times. Adaptive Investments performs periodic rebalancing designed to keep portfolios consistent with desired asset allocation.

Adaptive Investments offers model portfolio allocations to various advisory platforms. Adaptive Investments acts as a model portfolio advisor that offers its model strategies to independent investment advisors or third-party platforms or other platforms who employ the models in the management of their clients’ investments. Adaptive Investments develops and manages its investment strategies and provides current asset allocations and changes to the independent investment advisor or third-party platforms as the model changes. The investment advisor or third party-party platform is then responsible to transact the Adaptive model recommendations.

Adaptive Investments’ discretionary authority is limited as described in Item 16.

ERISA Section 3(38)

Adaptive Investments also offer ERISA section 3(38) services and will work with business Clients to develop, design and implement a retirement savings plan investment lineup for its employees. As part its role, Adaptive Investments will be responsible for selecting, managing, monitoring and benchmarking the investment offerings of the retirement plan. In some plans, but not in participant directed plans, a retirement plan may also have discretionary authority to direct the investment of funds in accordance with the ERISA section 3(38).

Item 5. Fees and Compensation

The Adaptive Investments Funds

Pursuant to an advisory agreement between Adaptive Investments and the Starboard Investment Trust (the “Trust”) on behalf of each Fund, each Fund pays Adaptive an advisory fee at a maximum annualized rate of 1.00% which is calculated daily and paid monthly, based on its average daily net assets. The minimum fee charged is .45%. When a Fund is subadvised, a portion of the advisory fee is paid to the subadvisor.

Adaptive Investments has entered into an Expense Limitation Agreement with the Funds under which it has agreed to waive or reduce its fees and to assume other expenses of the Funds, if necessary, in an amount that limits the Fund’s annual operating expenses (exclusive of interests, taxes, brokerage fees and commissions, extraordinary expenses, and payments under the Rule 12b-1 distribution plan including, and acquired fund fees and expenses). Net annual operating expenses for the Fund may exceed these limits to the extent that it incurs expenses enumerated above as exclusions. The Expense Limitation Agreement runs through September 30, 2023 and may not be terminated prior to that date except via action of the Starboard’s Trust’s board of trustees. The Adviser cannot recoup from the Fund any amounts paid by the Adaptive Investments under the Expense Limitation Agreement.

Potential investors should review the appropriate Fund’s prospectus and Statement of Additional Information (“SAI”) for additional information on Adaptive Investments ’s compensation.

Model Portfolio

Adaptive Investments receives a fee from platforms that utilize its model portfolio strategy at an annual rate of 0.00-0.50% of the assets invested in the portfolio strategy which is calculated and paid on at least a quarterly basis.

General Disclosure

Adaptive Investments Funds that invest in mutual funds or exchange traded securities such as ETFs also pay, indirectly, investment advisory fees to the managers of those funds and those exchange traded securities.

Adaptive Investments believes that its fees are competitive with fees charged by other investment advisers for comparable services. Comparable services may be available, however, from other sources for lower fees.

In all cases, the pro rata portion of the management fee through the date of termination is charged to the client account. All prepaid but unearned advisory fees are refunded on termination of a client’s account. A limited partner who withdraws from a Private Fund on a date other than the last day of a quarter or month, however, does not receive a refund of the management fee previously paid.

Each account is responsible for its own costs and expenses, including trading costs and expenses (such as brokerage commissions, expenses related to short sales, and clearing and settlement charges), ongoing legal, accounting and bookkeeping fees and expenses, and the fees and expenses charged by any fund administrator for its accounting, bookkeeping and other services. Adaptive Investments bears its own operating, general, administrative and overhead costs and expenses, other than the expenses described above.

Retirement Plan Assets

Certain retirement plans can be billed monthly based upon ending account value for the period due at

a rate of 4-10bps per annum. In such instances, the engagement agreement will spell out the billing arrangement, whether in advance or arrears, and whether based on the account value as of month-end of the plan's assets.

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

Adaptive Investments manages accounts that do not pay performance-based compensation.

Item 7. Types of Clients

Adaptive Investments provides investment advice to the Funds. Adaptive Investments may provide investment advice as a sub-adviser to financial intermediaries. Adaptive Investments may also provide investment advice to retirement plan sponsors regarding the allocation of assets among plan investment options.

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

Adaptive Investments provides adaptive, risk-adjusted investment solutions for financial intermediaries seeking to position their clients for changing market conditions. Through an Adaptive CorrelationTM based suite of mutual fund and model portfolio solutions, Adaptive targets relative returns in up markets, while seeking to decrease risk during declining periods. Following a manager-of-managers model, Adaptive performs exhaustive research and testing to select industry-leading adaptive strategists and employ their processes on the Adaptive platform.

Adaptive Investments was founded on the principle that the 1950s era buy-and-hold tenet of the Modern Portfolio Theory no longer serves investors in today's changing markets. Adaptive adheres to a theory of Adaptive CorrelationTM, which offers a more agile approach to reallocating assets with shifting markets; targeting to deliver to investors both relative returns in up markets and protection against losses in down markets.

The Adaptive platform seeks Investment Managers or builds solutions that encompass Adaptive CorrelationTM, and have the ability to enhance investment portfolio performance, diversification, and mitigate risk.

Risk Factors

Investing in securities involves risk of loss that investors should be prepared to bear. Below are some of the risks that investors should consider before investing in any account that Adaptive manages. In addition, some of the risks associated with each Fund that Adaptive manages are summarized. Any or all of such risks could materially and adversely affect investment performance, the value of any account or any security held in an account, and could cause investors to lose substantial amounts of money. Below is a brief summary of some of the risks that a client or investor may encounter.

Potential investors that have questions before opening a Separate Account in a Fund should review the Fund's prospectus carefully and, in its entirety, and consult with their professional advisers before deciding whether to invest. The risks described below also generally apply to Separate Accounts.

Acquired Fund Risk. Investments in other investment companies subject the Fund to additional operating and management fees and expenses. Investors in the Fund will indirectly bear fees and

expenses charged by the funds in which the Fund invests, in addition to the Fund's direct fees and expenses. The Fund's performance depends in part upon the performance of the investment advisor to each Portfolio Fund, the strategies and instruments used by the Portfolio Funds, and the Adviser's ability to select Portfolio Funds and effectively allocate fund assets among them.

Asset-Backed Securities Investment Risk. Asset-backed securities risk is the risk that borrowers may default on the obligations that underlie the asset-backed security and that, during periods of falling interest rates, asset-backed securities may be called or prepaid, which may result in the Fund having to reinvest proceeds in other investments at a lower interest rate, and the risk that the impairment of the value of the collateral underlying a security in which the Fund invests (due, for example, to non-payment of loans) will result in a reduction in the value of the security.

Authorized Participant Risk. Only an authorized participant ("Authorized Participant" or "APs") may engage in creation or redemption transactions directly with the Fund. The Fund has a limited number of institutions that may act as Authorized Participants on an agency basis (i.e., on behalf of other market participants). Authorized Participant concentration risk may be heightened for exchange-traded funds (ETFs), such as the Fund, that invest in securities issued by non-U.S. issuers or other securities or instruments that have lower trading volumes.

Closed-End Fund Risk. Closed-end funds involve investment risks different from those associated with other investment companies. First, the shares of closed-end funds frequently trade at a premium or discount relative to their net asset value. When the Fund purchases shares of a closed-end fund at a discount to its net asset value, there can be no assurance that the discount will decrease, and it is possible that the discount may increase and affect whether the Fund will realize a gain or loss on the investment. Second, many closed-end funds use leverage, or borrowed money, to try to increase returns. Leverage is a speculative technique and its use by a closed-end fund entails greater risk and leads to a more volatile share price. If a closed-end fund uses leverage, increases and decreases in the value of its share price will be magnified. The closed-end fund will also have to pay interest or dividends on its leverage, reducing the closed-end fund's return. Third, many closed-end funds have a policy of distributing a fixed percentage of net assets regardless of the fund's actual interest income and capital gains. Consequently, distributions by a closed-end fund may include a return of capital, which would reduce the fund's net asset value and its earnings capacity. Finally, closed-end funds are allowed to invest in a greater amount of illiquid securities than open-end mutual funds. Investments in illiquid securities pose risks related to uncertainty in valuations, volatile market prices, and limitations on resale that may have an adverse effect on the ability of the fund to dispose of the securities promptly or at reasonable prices.

Commodities Risk. The Fund and Portfolio Funds may have exposure to the commodities markets, subjecting the Fund to risks not associated with investments in traditional securities. The value of commodities related investments may be affected by changes in overall market movements, commodity index volatility, changes in interest rates, or factors affecting a particular industry or commodity, including drought, floods, weather, livestock disease, embargoes, and tariffs. The prices of industrial metals, precious metals, agriculture, and livestock commodities may fluctuate widely due to changes in value, supply and demand, and governmental regulatory policies.

Common Stock Risk. The Fund's investments in shares of common stock, both directly and indirectly through the Fund's investment in shares of other investment companies, may fluctuate in value response to many factors, including the activities of the individual issuers whose securities the Fund owns, general market and economic conditions, interest rates, and specific industry changes. Such price fluctuations subject the Fund to potential losses. Common stock generally is subordinate to preferred stock and debt securities with respect to the payment of dividends and upon the liquidation or bankruptcy of the issuing company.

Control of Portfolio Funds Risk. The Portfolio Funds each have their own unique investment

objective, strategies, and risks. There is no guarantee that the Portfolio Funds will achieve their investment objectives and the Fund has exposure to the investment risks of the Portfolio Funds in direct proportion to the allocation of assets among the funds. The investment policies of the Portfolio Funds may differ from the Fund's policies.

Although the Fund and the Adviser will evaluate regularly each Portfolio Fund to determine whether its investment program is consistent with a Fund's investment objective, the Adviser will not have any control over the investments made by a Portfolio Fund. The investment adviser to each Portfolio Fund may change aspects of its investment strategies at any time. The Adviser will not have the ability to control or otherwise influence the composition of the investment portfolio of a Portfolio Fund.

Convertible Securities Risk. Convertible securities are fixed income securities that the Fund or a Portfolio Fund has the option to exchange for equity securities at a specified conversion price. The option allows the Fund or a Portfolio Fund to realize additional returns if the market price of the equity securities exceeds the conversion price. Convertible securities have lower yields than comparable fixed income securities and may provide lower returns than non-convertible fixed income securities or equity securities depending upon changes in the price of the underlying equity securities.

Corporate Debt Securities Risk. The Fund and Portfolio Funds may invest in corporate debt securities. Corporate debt securities are fixed income securities issued by businesses. Notes, bonds, debentures, and commercial paper are the most prevalent types of corporate debt securities. The credit risks of corporate debt securities vary widely among issuers. In addition, the credit risk of an issuer's debt security may vary based on its priority for repayment, meaning that issuers might not make payments on subordinated securities while continuing to make payments on senior securities or, in the event of bankruptcy, holders of senior securities may receive amounts otherwise payable to the holders of subordinated securities.

Credit Risk. Credit risk refers to the risk that an issuer or counterparty will fail to pay its obligations to the Fund when they are due. As a result, the Fund's income might be reduced, the value of the Fund's investment might fall, and/or the Fund could lose the entire amount of its investment. Changes in the financial condition of an issuer or counterparty, changes in specific economic, social, or political conditions that affect a particular type of security or other instrument or an issuer, and changes in economic, social or political conditions generally can increase the risk of default by an issuer or counterparty, which can affect a security's or other instrument's credit quality or value and an issuer's or counterparty's ability to pay interest and principal when due. The values of lower-quality debt securities (commonly known as "junk bonds") tend to be particularly sensitive to these changes.

Currency Risk. The Fund's indirect and direct exposure to foreign currencies subjects the Fund to the risk that those currencies will decline in value relative to the U.S. dollar. Adverse changes in currency exchange rates relative to the U.S. dollar may diminish gains from investments denominated in a foreign currency or may widen existing losses.

Cybersecurity Risk. As part of its business, the Adviser processes, stores and transmits large amounts of electronic information, including information relating to the transactions of the Fund. The Adviser and the Fund are therefore susceptible to cybersecurity risk. Cybersecurity failures or breaches of the Fund or its service providers have the ability to cause disruptions and impact business operations, potentially resulting in financial losses, the inability of Fund shareholders to transact business, violations of applicable privacy and other laws, regulatory fines, penalties and/or reputational damage. The Fund and its shareholders could be negatively impacted as a result.

Depository Receipts. The Fund may invest in the securities of foreign issuers in the form of depository receipts or other securities convertible into securities of foreign issuers. Depository receipts are issued by a bank or trust company and evidence ownership of underlying securities issued by a foreign corporation. Unsponsored depository receipt programs are organized independently of the issuer of the underlying securities and, consequently, available information concerning the issuer may not be as current as for sponsored depository receipts and the prices of unsponsored depository receipts may be more volatile. The Fund's investments in depository receipts are generally subject to the same risks as the foreign securities that they evidence or into which they may be converted.

Energy Sector Risk. MLPs and other entities operating in the energy sector may be affected by fluctuations in the prices of energy commodities, including, for example, natural gas, natural gas liquids, crude oil and coal, in the short- and long-term. MLPs and other entities engaged in the exploration, development, management or production of energy commodities face the risk that commodity reserves are depleted over time. Such companies seek to increase their reserves through expansion of their current businesses, acquisitions, further development of their existing sources of energy commodities, exploration of new sources of energy commodities or by entering into long-term contracts for additional revenues; however, there are risks associated with each of these potential strategies. MLPs and other entities operating in the energy sector may also be adversely affected by reductions in the supply of or demand for energy commodities. The energy sector is highly regulated and MLPs and other entities operating in the energy sector are subject to significant regulation of nearly every aspect of their operations by federal, state and local governmental agencies.

Equity Securities Risk. Investments by the Portfolio Funds in equity securities may fluctuate in value response to many factors, including the activities of the individual issuers whose securities the Portfolio Fund owns, general market and economic conditions, interest rates, and specific industry changes. Such price fluctuations subject the Fund to potential losses. During temporary or extended bear markets, the value of equity securities will decline, which could also result in losses for the Fund.

ETF Investing Risk. The Fund's investment in ETFs may subject the Fund to additional risks than if the Fund would have invested directly in the ETF's underlying securities. These risks include the possibility that an ETF may experience a lack of liquidity that can result in greater volatility than its underlying securities; an ETF may trade at a premium or discount to its net asset value; or an ETF may not replicate exactly the performance of the benchmark index it seeks to track. In addition, investing in an ETF may also be more costly than if a Fund had owned the underlying securities directly. The Fund, and indirectly, shareholders of the Fund, bear a proportionate share of the ETF's expenses, which include management and advisory fees and other expenses. In addition, the Fund will pay brokerage commissions in connection with the purchase and sale.

ETF Structure Risks. The Fund is structured as an ETF and as a result is subject to the special risks, including:

- *Not Individually Redeemable.* Shares are not individually redeemable and may be redeemed by the Fund at NAV only in large blocks known as "Creation Units." You may incur brokerage costs purchasing enough Shares to constitute a Creation Unit.
- *Trading Issues.* An active trading market for the Shares may not be developed or maintained. Trading in Shares on the Exchange may be halted due to market conditions or for reasons that, in the view of the Exchange, make trading in Shares inadvisable, such as extraordinary market volatility. There can be no assurance that Shares will continue to meet the listing requirements of the Exchange. If the Shares are traded outside a collateralized settlement system, the number

of financial institutions that can act as authorized participants that can post collateral on an agency basis is limited, which may limit the market for the Shares.

- *Cash purchases.* To the extent Creation Units are purchased by APs in cash instead of in-kind, the Fund will incur certain costs such as brokerage expenses and taxable gains and losses. These costs could be imposed on the Fund and impact the Fund's NAV if not fully offset by transaction fees paid by the APs.
- *Market Price Variance Risk.* The market prices of Shares will fluctuate in response to changes in NAV and supply and demand for Shares and will include a "bid-ask spread" charged by the exchange specialists, market makers or other participants that trade the particular security. There may be times when the market price and the NAV vary significantly. This means that Shares may trade at a discount to NAV.
 - In times of market stress, market makers may step away from their role market making in shares of ETFs and in executing trades, which can lead to differences between the market value of Shares and the Fund's net asset value.
 - To the extent authorized participants exit the business or are unable to process creations or redemptions and no other AP can step in to do so, there may be a significantly reduced trading market in the Shares, which can lead to differences between the market value of Shares and the Fund's net asset value.
 - The market price for the Shares may deviate from the Fund's net asset value, particularly during times of market stress, with the result that investors may pay significantly more or receive significantly less for Shares than the Fund's net asset value, which is reflected in the bid and ask price for Shares or in the closing price.
 - When all or a portion of an ETFs underlying securities trade in a market that is closed when the market for the Shares is open, there may be changes from the last quote of the closed market and the quote from the Fund's domestic trading day, which could lead to differences between the market value of the Shares and the Fund's net asset value.
 - In stressed market conditions, the market for the Shares may become less liquid in response to the deteriorating liquidity of the Fund's portfolio. This adverse effect on the liquidity of the Shares may, in turn, lead to differences between the market value of the Shares and the Fund's net asset value.

Early Close/Trading Halt Risk. An exchange or market may close or issue trading halts on specific securities, or the ability to buy or sell certain securities or financial instruments may be restricted, which may prevent the Fund from buying or selling certain securities or financial instruments. In these circumstances, the Fund may be unable to rebalance its portfolio, may be unable to accurately price its investments and may incur substantial trading losses.

ETN Risk. Similar to ETFs, owning an ETN generally reflects the risks of owning the assets that comprise the underlying market benchmark or strategy that the ETN is designed to reflect. ETNs also are subject to issuer and fixed-income risk.

Inverse ETF Risk. Investments in inverse ETFs will prevent the Fund from participating in market-wide or sector-wide gains and may not prove to be an effective hedge. During periods of increased volatility, inverse ETFs may not perform in the manner they are designed.

Cash and Cash Equivalents Risk. At any time, the Fund may have significant investments in cash or cash equivalents. When a substantial portion of a portfolio is held in cash or cash equivalents, there is the risk that the value of the cash account, including interest, will not keep pace with inflation, thus reducing purchasing power over time.

Fixed Income Risk. Investments by the Fund and Portfolio Funds in fixed income securities will subject the Fund to the risks associated with such investments. The prices of these securities respond to economic developments, particularly interest rate changes, as well as to perceptions about the creditworthiness of individual issuers. Fixed income securities tend to decrease in value if interest rates rise and vice versa, and the volatility of lower-rated securities is even greater than that of higher-rated securities. Also, longer-term securities are more volatile, so the average maturity or duration of these securities affects risk. Credit risk is the possibility that an issuer will fail to make timely payments of interest or principal or go bankrupt. The lower the rating of a debt security, the greater its risks. Debt instruments rated below investment grade or debt instruments that are unrated and determined by the Adviser to be of comparable quality are predominantly speculative. These instruments, commonly known as “junk bonds,” have a higher degree of default risk and may be less liquid than higher-rated bonds. These instruments may be subject to greater price volatility due to such factors as specific corporate developments, interest rate sensitivity, negative perceptions of high yield investments generally, and less secondary market liquidity.

Foreign Securities and Emerging Markets Risk. The Fund and Portfolio Funds may have significant investments in foreign securities, which have investment risks different from those associated with domestic securities. The value of foreign investments may be affected by the value of the local currency relative to the U.S. dollar, changes in exchange control regulations, application of foreign tax laws, changes in governmental economic or monetary policy, or changed circumstances in dealings between nations. There may be less government supervision of foreign markets, resulting in non-uniform accounting practices and less publicly available information about issuers of foreign securities. In addition, foreign brokerage commissions, custody fees, and other costs of investing in foreign securities are often higher than in the United States. Investments in foreign issues could be affected by other factors not present in the United States, including expropriation, armed conflict, confiscatory taxation, and potential difficulties in enforcing contractual obligations. In addition to the risks of foreign securities in general, countries in emerging markets are more volatile and can have relatively unstable governments, social and legal systems that do not protect shareholders, economies based on only a few industries, and securities markets that trade a small number of issues which could reduce liquidity.

Fund Investing Risk. Investments in other investment companies subject the Fund to additional operating and management fees and expenses. Investors in the Fund will indirectly bear fees and expenses charged by the funds in which the Fund invests, in addition to the Fund’s direct fees and expenses. The Fund’s performance depends in part upon the performance of the investment advisor to each Portfolio Fund, the strategies and instruments used by the Portfolio Funds, and the Adviser’s ability to select Portfolio Funds and effectively allocate fund assets among them.

Fund of Funds Risk. The Funds may operate as a “fund of funds.” The term “fund of funds” is typically used to describe investment companies, such as the Funds, whose principal investment strategy involves investing in other investment companies, including open-end mutual funds, closed-end funds, and exchange-traded funds. Investments in other investment companies subject the Funds to additional operating and management fees and expenses. Investors in the Funds will indirectly bear fees and expenses charged by the funds in which the Funds invest, in addition to the Funds’ direct fees and expenses.

A Fund’s performance depends in part upon the performance of the investment adviser to each Portfolio Fund, the strategies and instruments used by the Portfolio Funds, and the Adviser’s ability to select Portfolio Funds and effectively allocate Fund assets among them.

Hedging Risk. Techniques used by Advisor to hedge the Fund’s investments carry the risks that such techniques may not protect against market declines. The techniques may also limit the Fund’s

participation in market gains. Further, such techniques may increase portfolio transaction costs, which could result in losses or reduced gains. They also may not be successful as the techniques are subject to the Advisor's ability to correctly analyze and implement the hedging techniques in a timely manner.

High-Yield Risk. The Fund and Portfolio Funds may invest in junk bonds, including bonds of issuers in default, and other fixed income securities that are rated below investment grade. Securities in this rating category are speculative and are usually issued by companies without long track records of sales and earnings, or by those companies with questionable credit strength. Changes in economic conditions or other circumstances may have a greater effect on the ability of issuers of these securities to make principal and interest payments than they do on issuers of higher grade securities. The retail secondary market for junk bonds may be less liquid than that of higher-rated securities and adverse conditions could make it difficult at times to sell certain securities or could result in lower prices. Additionally, these instruments are unsecured and may be subordinated to other creditor's claims.

Inflation Risk. Fixed income securities held by the Fund and Portfolio Funds are subject to inflation risk. Because inflation reduces the purchasing power of income produced by existing fixed income securities, the prices at which fixed income securities trade will be reduced to compensate for the fact that the income they produce is worth less. This potential decrease in market value of fixed income securities would result in a loss in the value of the Fund's portfolio.

Interest Rate Risk. Interest rates may rise resulting in a decrease in the value of the fixed income securities held by the Fund and Portfolio Funds or may fall resulting in an increase in the value of such securities. Fixed income securities with longer maturities involve greater risk than those with shorter maturities.

Investment Adviser Risk. The Adviser's ability to choose suitable investments has a significant impact on the ability of a Fund to achieve its investment objectives. The Adviser became registered as an investment adviser with the SEC in 2015. The Adviser does not have previous experience managing an investment company registered under the 1940 Act.

Large-Cap Securities Risk. Stocks of large companies as a group can fall out of favor with the market, causing the Fund to underperform investments that have a greater focus on mid-cap or small-cap stocks.

Leverage Risk. While the Fund will not utilize leverage (i.e., borrowing) when making investments, the Portfolio Funds held by the Fund may utilize leverage to acquire their underlying portfolio investments. The use of leverage may exaggerate changes in a Portfolio Fund's share price and the return on its investments. Accordingly, the value of the Fund's investments in Portfolio Funds may be more volatile and all other risks, including the risk of loss of an investment, tend to be compounded or magnified. Borrowing also leads to additional interest expense and other fees that increase the Portfolio Fund's expenses.

Leveraged and Inverse ETF Risk. Investing in leveraged ETFs will amplify the Fund's gains and losses. Most leveraged ETFs "reset" daily. Due to the effect of compounding, their performance over longer periods of time can differ significantly from the performance of their underlying index or benchmark during the same period of time. Investments in inverse ETFs will prevent the Fund from participating in market-wide or sector-wide gains and may not prove to be an effective hedge. During periods of increased volatility, inverse ETFs may not perform in the manner they are designed.

LIBOR Risk. Certain of the Fund's or Portfolio Funds' investments may be based on floating rates, such as LIBOR. LIBOR, or the London Interbank Offered Rate, is a benchmark that dictates daily

interest rates on loans and financial instruments globally. Plans are underway to phase out the use of LIBOR by the end of 2021, which indicates the continuation of LIBOR and other reference rates on the current basis cannot and will not be guaranteed after 2021. Any replacement rate chosen may be less favorable than the current rates. Until the announcement of the replacement rate, the Fund may continue borrow under the Credit Facilities at rates that reference LIBOR and invest in Underlying Funds that may hold underlying assets referencing LIBOR or otherwise use LIBOR. There remains uncertainty regarding the nature of any replacement rate and the impact of the transition from LIBOR on the Fund's transactions and the financial markets generally. As such, the potential effect of a transition away from LIBOR on the Fund's investments and/or the Fund's Credit Facilities cannot yet be determined.

Liquidity Risk. Liquidity risk exists when particular investments would be difficult to purchase or sell, possibly preventing the Fund from selling such illiquid securities at an advantageous time or price, or possibly requiring the Fund to dispose of other investments at unfavorable times or prices in order to satisfy its obligations.

Market Risk. Market risk refers to the possibility that the value of securities held by the Fund may decline due to daily fluctuations in the market. Market prices for securities change daily as a result of many factors, including developments affecting the condition of both individual companies and the market in general. The price of a security may even be affected by factors unrelated to the value or condition of its issuer, including changes in interest rates, economic and political conditions, and general market conditions. The Fund's performance per share will change daily in response to such factors.

Managed Volatility Risk. Techniques used by Advisor to manage the volatility of the Fund's investments carry the risks that such techniques may not protect against market declines. The techniques may also limit the Fund's participation in market gains, particularly during periods where market values are increasing but market volatility is high. Further, such techniques may increase portfolio transaction costs, which could result in losses or reduced gains. They also may not be successful as the techniques are subject to the Advisor's ability to correctly analyze and implement the volatility management techniques in a timely manner.

Management Risk. The Fund is subject to management risk because it is an actively managed portfolio. In managing the Fund's portfolio securities, the Advisor will apply investment techniques and risk analyses in making investment decisions for the Fund, but there can be no guarantee that these will produce the desired results.

Management Style Risk. Different types of securities tend to shift into and out of favor with investors depending on market and economic conditions. The returns from the types of Portfolio Funds and other securities purchased by a Fund (growth, value, etc.) may at times be better or worse than the returns from other types of funds. Thus, the performance of a Fund may be better or worse than the performance of funds that focus on other types of investments, or that have a broader investment style.

Micro-Cap Securities Risk. Some of the small companies in which the Fund invests may be micro-cap companies. Micro-cap stocks may involve substantially greater risks of loss and price fluctuations. Micro-cap companies carry additional risks because of the tendency of their earnings and revenues to be less predictable, their share prices to be more volatile, and their markets to be less liquid than companies with larger market capitalizations.

MLPs Risk. An investment in MLPs involves risk that differ from a similar investment in equity securities, such as common stock, of a corporation. Holders of equity securities issued by MLPs

have the rights typically afforded to limited partners in a limited partnership. As compared to common shareholders of a corporation, holders of such equity securities have more limited control and limited rights to vote on matters affecting the partnership. In addition, certain MLPs in which the Fund may invest depend upon their parent or sponsor entities for the majority of their revenues. If their parent or sponsor entities fail to make such payments or satisfy their obligations, the revenues and cash flows of such MLPs and ability of such MLPs to make distributions to unit holders, such as the Fund, would be adversely affected.

Mortgage-Backed Securities Risk. Mortgage-backed securities risk refers to the risk that borrowers may default on their mortgage obligations or the guarantees underlying the mortgage-backed securities will default or otherwise fail and that, during periods of falling interest rates, mortgage-backed securities will be called or prepaid, which may result in the Fund having to reinvest proceeds in other investments at a lower interest rate. During periods of rising interest rates, the average life of a mortgage-backed security may extend, which may lock in a below-market interest rate, increase the security's duration, and reduce the value of the security.

Other Equity Securities Risk. In addition to shares of common stock, the equity securities held by the Fund and Portfolio Funds may include preferred stocks, convertible preferred stocks, convertible bonds, and warrants. Like shares of common stock, the value of these equity securities may fluctuate in response to many factors, including the activities of the issuer, general market and economic conditions, interest rates, and specific industry changes. Also, regardless of any one company's particular prospects, a declining stock market may produce a decline in prices for all equity securities, which could also result in losses for the Fund.

Options Risk. There are risks associated with the sale and purchase of put options. As a seller (writer) of a put option, the Fund will tend to lose money if the value of the reference index falls below the strike price. As the buyer of a put option, the Fund risks losing the entire premium invested in the option if the Fund does not exercise the option. If a put option purchased by the Fund is not sold when it has remaining value and if the market price of the underlying security remains equal to or greater than the exercise price, the Fund will lose its entire investment in the option. Since many factors influence the value of an option, including the price of the underlying security, the exercise price, the time to expiration, the interest rate, and the dividend rate of the underlying security, the Advisor's success in implementing the Fund's strategy may depend on an ability to predict movements in the prices of individual securities, fluctuations in markets, and movements in interest rates. There is no assurance that a liquid market will exist when the Fund seeks to close out an option position. Where a position in a purchased option is used as a hedge against price movements in a related position, the price of the option may move more or less than the price of the related position.

Portfolio Turnover Risk. The Adviser will sell Portfolio Funds and other securities when it is in the interests of a Fund and its shareholders to do so without regard to the length of time they have been held. As portfolio turnover may involve paying brokerage commissions and other transaction costs, there could be additional expenses for a Fund. High rates of portfolio turnover may also result in the realization of short-term capital gains and losses. Any distributions resulting from such gains will be considered ordinary income for federal income tax purposes.

Preferred Equity Risk. Preferred equity's right to dividends and liquidation proceeds is junior to the rights of a company's debt securities. The value of preferred equity may be subject to factors that affect fixed income and equity securities, including changes in interest rates and in a company's creditworthiness. The value of preferred equity tends to vary more with fluctuations in the underlying common equity and less with fluctuations in interest rates and tends to exhibit greater volatility. Shareholders of preferred equity may suffer a loss of value if dividends are not paid and have limited voting rights.

Quantitative Risk. Securities or other investments selected using quantitative methods may perform differently from the market as a whole. There can be no assurance that these methodologies will enable the Fund to achieve its objective.

Rating Agencies Risk. Rating agencies may fail to make timely changes in credit ratings and an issuer's current financial condition may be better or worse than a rating indicates. In addition, rating agencies are subject to an inherent conflict of interest because they are often compensated by the same issuers whose securities they grade.

REIT Risk. Investing in REITs involves certain unique risks in addition to those associated with the real estate sector generally, including poor performance by the REIT's manager, adverse changes to the tax laws, and the possible failure by the REIT to qualify for the favorable tax treatment available to REITs under the Internal Revenue Code of 1986, as amended or the exemption from registration under the 1940 Act. REITs are not diversified and are heavily dependent on cash flow. REITs whose underlying properties are concentrated in a particular industry or region are also subject to risks affecting such industries and regions. REITs (especially mortgage REITs) are also subject to interest rate risks. By investing in REITs through the Fund, a shareholder will bear expenses of the REITs in addition to Fund expenses.

Risks from Treasury Inflation-Protected Securities. The Fund and Portfolio Funds may invest in Treasury Inflation-Protected Securities ("TIPS"), special types of treasury bonds that offer protection from inflation. The values of TIPS are automatically adjusted to the inflation rate as measured by the Consumer Price Index (CPI). With inflation (a rise in the CPI), the principal increases; with deflation (a drop in the CPI), the principal decreases. When TIPS mature, the Fund or Portfolio Funds are paid the adjusted principal or original principal, whichever is greater. TIPS decline in value when real interest rates rise. However, in certain interest rate environments, like when real interest rates are rising faster than nominal interest rates, TIPS may experience greater losses than other fixed income securities with similar duration.

Risks from Purchasing Options. If a put option purchased by the Fund is not sold when it has remaining value and if the market price of the underlying security remains equal to or greater than the exercise price, the Fund will lose its entire investment in the option. Since many factors influence the value of an option, including the price of the underlying security, the exercise price, the time to expiration, the interest rate, and the dividend rate of the underlying security, the Advisor's success in implementing the Fund's strategy may depend on an ability to predict movements in the prices of individual securities, fluctuations in markets, and movements in interest rates. There is no assurance that a liquid market will exist when the Fund seeks to close out an option position. Where a position in a purchased option is used as a hedge against price movements in a related position, the price of the option may move more or less than the price of the related position.

Short Sales Risk. While the Fund will not short individual securities, the Portfolio Funds held by the Fund may sell securities short. A short sale is a transaction in which the Portfolio Fund sells a security it does not own but has borrowed in anticipation that the market price of the security will decline. The Portfolio Fund must replace the borrowed security by purchasing it at the market price at the time of replacement, which may be more or less than the price at which the Portfolio Fund sold the security.

Small-Cap and Mid-Cap Securities Risk. The Fund may invest in securities of small-cap and mid-cap companies, which involve greater volatility than investing in larger and more established companies. Small-cap and mid-cap companies can be subject to more abrupt or erratic share price changes than larger, more established companies. Securities of these types of companies have limited market liquidity, and their prices may be more volatile.

U.S. Government Securities Risk. U.S. government securities risk refers to the risk that debt securities issued or guaranteed by certain U.S. Government agencies, instrumentalities, and sponsored enterprises are not supported by the full faith and credit of the U.S. Government, and so investments in their securities or obligations issued by them involve credit risk greater than investments in other types of U.S. Government securities.

General Risks

Business Continuity - Adaptive Investments business operations may be vulnerable to disruption in the case of catastrophic events such as fires, natural disaster, terrorist attacks or other circumstances resulting in property damage, network interruption and/or prolong power outages. Although Adaptive Investments has implemented, or expects to implement, measures to manage risks relating to these types of events, there can be no assurances that all contingencies can be planned for. These risks of loss can be substantial and could have a material adverse effect on Adaptive Investments and investments therein.

Outbreak Risks – An epidemic outbreak or pandemic, and reactions thereto could cause uncertainty in markets and businesses, including Adaptive Investments business, and may adversely affect the performance of the global economy, including causing market volatility, market and business uncertainty and closures, supply chain and travel interruptions, the need for employees and vendors to work at external locations, and extensive medical absences. Adaptive Investments has policies and procedures to address known situations, but because a large epidemic or pandemic may create significant market and business uncertainties and disruptions, not all events that could affect Adaptive Investments' business and/or the markets can be determined and addressed in advance.

Item 9. Disciplinary Information

Neither Adaptive Investments, nor any of its management persons, has been the subject of any material or disciplinary action.

Item 10. Other Financial Industry Activities and Affiliations

Other Registered Investment Advisors

Certain Managing Members and IARs of Adaptive Investment also own and/or provide advisory services through other independent registered investment advisory firms. As a Managing Member of Adaptive, Greg Rutherford, also provides advisory services to ThePARTNERS Wealth Management. In addition, Any IAR's who are involved with an independent advisory firm can be found on the respective IAR's Form ADV 2B ("Brochure Supplements"). A Client may be offered financial planning, consulting or related advisory services under these entities. In such instances, the Client shall also receive the Form ADV 2A - Disclosure Brochure for the respective firm. To the extent that these services are being provided by a separate investment adviser, the services are being provided solely by that investment adviser which takes sole responsibility for the services. Adaptive Investments does not participate in the transaction and does not approve or supervise the activities of other investment advisers or financial entities.

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

Adaptive Investments has adopted a Code of Ethics in compliance with Rule 204A-1 under the Investment Advisers Act of 1940 that establishes standards of conduct for Adaptive Investments' supervised persons. The Code of Ethics includes general requirements that Adaptive Investments' supervised persons comply with their fiduciary obligations to clients and applicable securities laws, and specific requirements relating to, among other things, personal trading, insider trading, conflicts

of interest and confidentiality of client information. It requires supervised persons to comply with the personal trading restrictions described below and periodically to report their personal securities transactions and holdings to Adaptive Investments' Chief Compliance Officer (the "CCO"), and requires the CCO to review those reports. It also requires supervised persons to report any violations of the Code of Ethics promptly to the CCO. Each supervised person of Adaptive Investments receives a copy of the Code of Ethics and any amendments to it and must acknowledge in writing having received those materials. Quarterly, each supervised person must certify that he or she complied with the Code of Ethics during the preceding quarter. Clients and prospective clients can obtain a copy of Adaptive Investments' Code of Ethics by contacting the CCO at 888-721- 4588.

Under Adaptive Investments' Code of Ethics, Adaptive Investments and its supervised persons and employees can personally invest in securities of the same classes as Adaptive Investments purchases for clients and may own securities of issuers whose securities that Adaptive Investments subsequently purchases for clients. This practice creates a conflict of interest in that any of such persons can use his or her knowledge about actual or proposed securities transactions and recommendations for a client account to profit personally by the market effect of such transactions and recommendations. To address this conflict, Adaptive Investments and its supervised persons, its employees and their family members must obtain the CCO's pre-approval before engaging in any personal securities transactions (whether or not through proprietary accounts), other than long purchases and subsequent sales of any of the following securities: (a) securities issued by the government of the U.S. or any state, (b) money market instruments (e.g. bankers' acceptances, bank certificates of deposit, commercial paper, repurchase agreements and other high-quality short-term debt instruments), (c) shares of money market funds and (d) shares issued by registered open-end investment companies other than sales of a Adaptive Investments Funds. The pre-approval requirement also applies to securities acquired in IPOs and private placements. The CCO must obtain the prior written approval the CCO's Substitute before effecting any transactions in the CCO's own proprietary accounts.

Because Adaptive Investments manages more than one Fund and managed account (collectively, "Client"), there may be conflicts of interest over its time devoted to managing any one Client and allocating investment opportunities among all Clients it manages. For example, Adaptive Investments selects investments for each Client based solely on investment considerations for that Client. Different Clients may have differing investment strategies and expected levels of trading. Adaptive may buy or sell a security for one type of Client but not for another, or may buy (or sell) a security for one type of Client while simultaneously selling (or buying) the same security for another type of Client. Adaptive Investments attempts to resolve all such conflicts in a manner that is generally fair to all of its clients. Adaptive may give advice to, and take action on behalf of, any of its Clients that differs from the advice that it gives or the timing or nature of action it takes on behalf of any other Client so long as it is Adaptive Investments' policy, to the extent practicable, to allocate investment opportunities to its Clients fairly and equitably over time. Adaptive is not obligated to acquire for any account any security that Adaptive or its supervised persons or employees may acquire for its or their own accounts or for any other Client, if in Adaptive's absolute discretion, it is not practical or desirable to acquire a position in such security for that account.

Also, when acting as a solicitor on behalf of a third-party adviser for prospective investors, conflicts may arise between the products and/or services for which Adaptive Investments is soliciting investors and the Funds Adaptive Investments manages. It is Adaptive's policy to ensure that products and services for which Adaptive Investments solicits investors on behalf of a third-party adviser do not overlap or compete with those provided by Adaptive Investments. See Item 14, Client Referrals and Other Compensation, for a description of Adaptive Investments' solicitation arrangement.

Item 12. Brokerage Practices

Adaptive Investments has complete discretion in selecting the broker or futures commission merchant that it uses for client transactions and the commission rates that clients pay such brokers and futures commission merchants. In selecting a broker or futures commission merchant for any transaction or series of transactions, Adaptive Investments may consider a number of factors, including, for example:

- net price, clearance, settlement and reputation;
- financial strength and stability;
- efficiency of execution and error resolution;
- block trading and block positioning capabilities;
- willingness to execute related or unrelated difficult transactions in the future;
- order of call;
- offering to Adaptive on-line access to computerized data regarding clients' accounts;
- computer trading systems; and
- the availability of stocks to borrow for short trades.

Cross Transactions. Adaptive Investments does not intend to effect cross trades between any registered investment company that it advises (such as the Adaptive Investments Funds).

Broker Referrals. Adaptive Investments may in the future direct a certain amount of brokerage to a broker or futures commission merchant in return for the broker's or futures commission merchant's referral of prospective clients or investors. Directing brokerage in exchange for client or investor referrals creates a conflict of interest in that Adaptive Investments has an incentive to refer its clients' brokerage business to brokers and futures commission merchants to which it might not otherwise direct transactions. During its last fiscal year, Adaptive did not direct client transactions to a particular broker or futures commission merchant in return for client referrals.

Directed Brokerage. Adaptive Investments does not accept instructions from the Trust on behalf of the Funds for directing a transaction to a particular broker/dealer.

Model Portfolio Strategies. Adaptive Investments uses a trade rotation system that is designed to ensure that all accounts, utilizing an Adaptive Investments model portfolio strategy that buys or sells a particular security on a single day, are treated fairly. Adaptive Investments offers model portfolios to advisory platforms such as TAMPs or UMA Program sponsors where the platform assumes trading discretion and execution of portfolio trades. Adaptive provides the TAMP or UMA Program sponsor with Adaptive Investments' recommendations as to the securities to be purchased, sold and held in the model portfolio, as well as the percentage of the model portfolio that would be invested in each security.

Adaptive Investments makes an effort to simultaneously deliver recommended model changes to each TAMP or UMA Program. The order in which the platform receives the recommendation can affect the prices obtained. There is an increased chance that trading model recommendations could take place during the period in which other programs are trading in the same security and price and execution quality could be influenced by other trades. Adaptive Investments' goal of treating clients equitably and fairly is consistent with minimizing the time frame in delivery of recommended trades.

Transactions may not always be executed at the lowest available price or commission. No assurance can be given that best execution will be achieved for each client transaction through a third party TAMP or UMA Program sponsors.

Soft Dollars. Adaptive may use brokerage commissions or “soft dollars” to pay for external research and services in a manner consistent with Section 28(e) under the Securities and Exchange Act of 1934 (“Section 28(e)”) and other relevant regulatory guidance. Under Section 28(e), Adaptive is permitted to cause a client account to pay a higher commission to a broker-dealer that provides research services to Adaptive than the commission another broker might charge, provided that Adaptive seeks best execution at all times and determines in good faith that the commission paid is reasonable in relation to the value of the trade execution and research services provided. Adaptive may make this good faith determination based upon either the particular transaction involved or the overall responsibilities Adaptive has with respect to all the client accounts over which it exercises investment discretion.

Adaptive uses brokerage commissions to acquire external research through client commission agreements (“CCA”) established with various broker-dealers (“CCA Brokers”). Under these arrangements, when Adaptive executes a trade through a CCA Broker, the CCA Broker retains a portion of the brokerage commission as compensation for trade execution services and forwards the remaining portion of the commission to a third-party aggregator utilized by Adaptive. On a periodic basis, Adaptive will then instruct the aggregator to pay for research provided by a CCA Broker or other independent research providers using the segregated CCA assets. The types of research services that Adaptive obtains through these arrangements include: (i) research reports providing fundamental, quantitative and technical issuer, industry, sector, market, economic and policy research and analysis; (ii) portfolio strategy research; and (iii) meetings and calls with company management.

By allocating brokerage business to the CCA Brokers who provide such research services, Adaptive believes that it is able to supplement its research and analysis and to use the views and information of other research organizations to make better investment decisions. Adaptive believes that the research received through the CCA program is consistent with Section 28(e) and assists the investment decision-making process for all clients. Nevertheless, the use of soft dollars to pay for research services also benefits Adaptive to the extent that it allows Adaptive to obtain research services through the CCA Brokers that it might otherwise have to pay for itself.

A conflict may arise when commissions are pooled and used to pay for research due to the potential that one client’s commissions could be subsidizing research that benefits another client. However, because research services often benefit several clients simultaneously or to differing degrees, it is nearly impossible to directly quantify the benefit of research on a client-by-client basis. In addition, Adaptive monitors its trading activities with its brokers on both an overall and portfolio-by-portfolio basis with a view to ensuring that such trading activity is consistent with Adaptive’s obligations to seek and obtain best qualitative execution on behalf of its clients. Additionally, a conflict of interest may arise by using soft dollars for research provided through a broker that has a shared ownership with Adaptive’s sub advisor Bluestone Capital. The conflict of interest may be mitigated as Adaptive monitors the research received and determines the research assists the investment decision making process for all clients.

Item 13. Review of Accounts

Adaptive Investments’ portfolio managers attempt to review all accounts at least each trading day, but will do so no less than monthly. Those reviews take into account such matters as asset allocation, cash management, the prospects of individual securities, changes in issuer earnings, industry outlook, market outlook and price levels. Each account receives from their custodians on either a monthly or quarterly basis, statements showing the current market value as well as interest and dividends for the reporting period.

Item 14. Client Referrals and Other Compensation

Adaptive Investments does not compensate any individual or firm for client referrals. However, Adaptive Investments has entered into an agreement with a Third Party, to serve as a “solicitor” for the Third Party’s investment services. Any investor that Adaptive Investments refers to such Third Party may be subject to a greater management fee, a portion of which would be paid to Adaptive Investments (as solicitor) by the Third Party. In accordance with Rule 206(4)-1 under the Advisers Act, Adaptive Investments must present the referred investor with a written disclosure stating the amount, if any, that the investor will be charged above the advisory fee typically charged (by the Third Party) of similar size and investment objectives.

Item 15. Custody

Adaptive Investments does not accept custody of the ETFs’ assets or the underlying assets of the model portfolio it manages. The assets are held at U.S. banks that are qualified custodians.

Item 16. Investment Discretion

Adaptive Investments has discretionary authority to manage investment accounts on behalf of clients pursuant to a grant of authority in each investment advisory agreement with each Adaptive Investments ETF. Such discretion is limited by the requirement that clients advise Adaptive Investments of:

- the investment objectives of the account;
- any changes or modifications to those objectives; and
- any specific investment restrictions relating to the account.

A client must promptly notify Adaptive Investments in writing if the client considers any investments recommended or made for the account to violate such objectives or restrictions. A client may at any time direct Adaptive Investments to sell any securities or take such other lawful actions as the client may specify to cause the account to comply with the client’s investment objectives. In addition, a client may notify Adaptive Investments at any time not to invest any funds in the client’s account in specific securities or specific categories of securities.

Item 17. Voting Client Securities

With respect to any registered investment company account that Adaptive Investments advises (such as the Funds), Adaptive Investments will vote proxies based on its proxy voting procedures and in the best interests of clients. Adaptive Investments will provide its client the information required to be disclosed by that registered investment company pursuant to Rule 30b1-

4 of the Investment Company Act of 1940, as amended, and SEC Form N-PX. Adaptive Investments generally considers that clients' best interests are served by the promotion of high levels of corporate governance and adequate disclosure of company policies and practices.

In order to facilitate the actual process of voting proxies, Adaptive Investments has contracted with Institutional Shareholder Services, Inc. ("ISS") and Clear Street Proxy Service ("Clear Street"). Adaptive Investments gives an authorization and letter of instruction to the client's custodian who then forwards proxy materials it receives to ISS or Clear Street, so that ISS or Clear Street can vote the proxies.

In order to ensure that Adaptive Investments votes proxies in the best interests of the client, Adaptive Investments has established various systems described below to properly deal with a material conflict of interest. Adaptive Investments has also established a Management Committee (the "Committee") that is responsible for the proxy voting process.

In the limited instances where Adaptive Investments is considering voting a proxy contrary to ISS's recommendation, Adaptive Investments will first assess the issue to see if there is any possible conflict of interest involving Adaptive Investments or affiliated persons of Adaptive Investments. If there is no perceived conflict of interest, Adaptive Investments will then vote the proxy according to the proxy voting procedures. If at least one member of the Committee has actual knowledge of a conflict of interest, the Committee will normally use another independent third party to do additional research on the particular issue in order to make a recommendation to the Committee on how to vote the proxy in the best interests of the client. The Committee will then review the proxy voting materials and recommendation provided by ISS and the independent third party to determine how to vote the issue in a manner which the Committee believes is consistent with Adaptive Investments' Procedures and in the best interests of the client. In these instances, the Committee must come to a unanimous decision regarding how to vote the proxy or they will be required to vote the proxy in accordance with ISS's original recommendation. Documentation of the reasons for voting contrary to ISS's recommendation will generally be retained by Adaptive Investments.

A client can obtain a copy of Adaptive Investments' proxy voting policy and a record of votes cast by Adaptive Investments on behalf of that client by contacting Gregory Rutherford at 888-721-4588.

Item 18. Financial Information

Neither Adaptive Investments, nor its management, have any adverse financial situations that would reasonably impair the ability of Adaptive Investments to meet all obligations to its Clients. Neither Adaptive Investments, nor any of its IARs, has been subject to a bankruptcy or financial compromise.

Privacy Policy

This notice is being provided to you in accordance with the Securities and Exchange Commission's rule regarding the privacy of consumer financial information ("Regulation S-P"). Please take the time to read and understand the privacy policies and procedures that we have implemented to safeguard your nonpublic personal information.

INFORMATION WE COLLECT

Adaptive Investments and the Starboard Trust must collect certain personally identifiable financial information about their customers to provide financial services and products. The personally

identifiable financial information that we gather during the normal course of doing business with you may include:

1. information we receive from you on applications or other forms;
2. information about your transactions with us, our affiliates, or others;
3. information collected through an Internet "cookie" (an information collecting device from a web server); and
4. information we receive from a consumer reporting agency.

INFORMATION WE DISCLOSE

We do not disclose any nonpublic personal information about our customers or former customers to anyone, except as permitted or required by law, or as necessary to provide services to you. In accordance with Section 248.13 of Regulation S-P, we may disclose all of the information we collect, as described above, to certain nonaffiliated third parties such as attorneys, accountants, auditors and persons or entities that are assessing our compliance with industry standards. We enter into contractual agreements with all nonaffiliated third parties that prohibit such third parties from disclosing or using the information other than to carry out the purposes for which we disclose the information.

CONFIDENTIALITY AND SECURITY

We restrict access to nonpublic personal information about you to those Employees who need to know that information to provide financial products or services to you. We maintain physical, electronic, and procedural safeguards that comply with federal standards to guard your nonpublic personal information.

Concerning Communications with Clients: Additional Information

Adaptive Investments seeks to communicate with clients in the most efficient manner possible. To that end, Adaptive Investments intends to use e-mail to communicate with clients in lieu of paper mail, unless otherwise requested. Adaptive Investments should expect all communications to be effected electronically once they have provided preferred e-mail addresses and appropriate consents to an authorized Adaptive Investments representative. Clients may be asked to provide consent to the receipt of regulatory disclosures or other documents, statements and other information in electronic form, and are urged to provide such consents, as this will accelerate the receipt of important information.