

Part 2A of Form ADV: *Firm Brochure*

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This brochure provides information about the qualifications and business practices of Easterly Funds, LLC (hereinafter “Easterly Funds”, “Easterly”, or “the Firm” or “we”). If you have any questions about the contents of this brochure, please contact us at (617) 231-4300 or compliance@easterlyfunds.com. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority. Although Easterly Funds is a registered investment adviser, registration itself does not imply and should not be interpreted to imply any particular level of skill or training.

Additional information about Easterly Funds LLC is available on the SEC’s website at www.adviserinfo.sec.gov. You can search this site by a unique identifying number, known as a CRD number. The CRD number for Easterly Funds is 281785.

Item 2 MATERIAL CHANGES

In the future, this Item 2 will be amended as necessary to summarize material changes that can occur from time to time to the disclosures provided in this Brochure. We will seek to ensure that clients receive a summary of any material changes to this and subsequent Brochures within 120 days of the close of our business' fiscal year. We will provide interim disclosures about material changes as necessary.

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Item 4. Advisory Business

Easterly Funds' principal place of business is New York, New York. The Firm's principal direct owner is James Alpha Intermediate, LLC, which is owned by James Alpha Holdings, LLC. James Alpha Holdings, LLC is owned by Denis Nayden, Kevin Greene and Michael Montague.

Mutual Funds

Easterly serves as investment adviser to certain open-ended investment companies registered under the Investment Company Act of 1940 (hereinafter the "Mutual Funds" or "the Funds").

Interested investors should refer to the applicable Mutual Fund's prospectus for important information regarding objectives, investments, time-horizon, risks, fees, and additional disclosures. Prospective investors should carefully review the prospectus before making any investment in the Fund.

Model Portfolios

Easterly also furnishes investment advice and recommendations through the provision of model portfolios ("Model Portfolios") and provides periodic updates to the model portfolios (Model Portfolio Management Services). We typically provide these services to investment advisory firms, other managers, financial advisers, or other intermediaries (Overlay Managers), either directly or through turn-key asset management providers that operate platforms or programs (Platform Providers) in which Overlay Managers participate. These Overlay Managers utilize our model portfolios and periodic updates, either alone or together with other model portfolios provided by the Overlay Managers or other investment advisers, to manage the assets of the Overlay Manager's clients.

We generally do not have investment discretion or trading responsibilities in such arrangements, nor do we have an advisory relationship with the Overlay Manager's clients, and do not manage model portfolios on the basis of the financial situation or investment objectives of individual clients that participate in these programs.

Assets

As of 12/31/2022 Easterly Funds held \$1,086,296,236 in assets under management on a discretionary basis.

In addition, Easterly Funds had \$81,828,972 in assets under advisement pursuant to our Model Portfolio Management Services.

Item 5. Fees and Compensation

Easterly charges management fees to its clients for its investment management & consulting services.

Mutual Funds

The Mutual Funds' fee schedules are set forth in their respective prospectuses.

Interested investors must refer to the applicable prospectus for important information regarding fees, expenses, and additional information. Prospective investors should carefully review the prospectus before making any investment.

Model Portfolio Management Services

The fees Easterly charges and receives for providing Model Portfolio Management Services generally are asset-based fees that are paid quarterly by, or through, an Overlay Manager, and are generally in the range of 7 - 10 basis points (0.07% - 0.10%) of the total assets (or a portion of the assets) invested by the Overlay Manager in the Overlay Manager's investment strategy derived from our Model Portfolios. The fee rate for Model Portfolios that permit allocations to the Mutual Funds are reduced proportionally to avoid double charging of advisory fees by Easterly.

Easterly's fees typically may be negotiated only between the Overlay Manager and Easterly. A client of the Overlay Manager typically pays an advisory fee to the Overlay Manager for the Overlay Manager's discretionary management. In such cases, the client does not pay a separate fee to Easterly for the Model Portfolio Management Services we provide to the Overlay Manager. Easterly receives from the Overlay Manager a portion of the fees paid by the Overlay Manager's client for our services. Easterly is not generally informed of the specific fee arrangements negotiated between each Overlay Manager and the Overlay Manager's clients.

Easterly's fee for Model Portfolio Management Services may either be payable by the Overlay Managers in arrears at or after the end of each quarter for services rendered during the quarter (in which case they are not refundable) or payable in advance of the quarter in which such services are to be rendered. If paid in advance, the Overlay Manager would receive a pro-rated refund in the event that Easterly is terminated. The Overlay Manager also may pro rate fees if a certain amount of assets are contributed to or withdrawn from a client's account during an applicable period. In any case, any refunding would take place as and when provided in the Overlay Manager's agreement with Easterly.

Clients of an Overlay Manager or Platform Provider should reference their agreements with, and related documentation from, the Overlay Manager or Platform Provider (as applicable) for the specific terms and conditions applicable in connection with the refunding of fees charged by the Overlay Manager or Platform Provider.

GENERAL INFORMATION:

Personal Investments: Certain executive officers and/or other employees of Easterly Funds can invest a portion of their personal net worth in one or more of the Mutual Funds.

Termination: An investor can withdraw all or any part of its investment from any of the Mutual Funds as set forth in the applicable Mutual Fund's Prospectus.

Other Fees and Expenses: All fees paid to Easterly Funds for investment advisory services are separate and distinct from the fees and expenses charged by mutual funds, ETFs and ETNs to their shareholders. In the case of mutual funds, these fees and expenses are described in each fund's prospectus. These fees will generally include a management fee, other fund expenses, and a possible distribution fee. If the fund also imposes sales charges, a client could be subject to pay an initial or deferred sales charge.

General: Clients should note that similar advisory services could be available from other investment advisers for similar or lower fees.

Prospective investors in the Mutual Funds should refer to the appropriate Fund Prospectus for additional important information, terms, conditions, and risks involved with investing in the Mutual Fund.

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

Easterly does not charge performance-based fees to any clients.

Item 7. Types of Clients

Easterly Funds provides discretionary advisory services to registered investment companies, and non-discretionary advisory services to other investment advisers in connection with the Model Portfolio Management Services.

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

METHODS OF ANALYSIS:

The firm currently utilizes a proprietary system that combines both a qualitative and quantitative factor-based methodology.

The firm could use any of the following methods of analysis from time to time in the management of client portfolios. Easterly Funds uses some or all of the investment methodologies described here. There is no assurance that Easterly Funds application of these methodologies will be successful, nor is there assurance that the information and data upon which we rely on will always be fully accurate and unbiased.

Fundamental Analysis: Fundamental analysis attempts to measure the intrinsic value of a security by examining macroeconomic and financial factors (including the overall economy, industry conditions, the financial condition and management of the company itself) to determine if the company is underpriced (indicating it is a good time to consider buying) or overpriced (indicating it is good time to consider selling). In evaluating the attractiveness of long equity investments, we generally focus on one or more of the following:

- *Asset, cash flow, and earnings- based valuation:* Traditional valuation parameters, such as price/earnings ratios, price/cash flow, price/sales, price/book, price/asset replacement value, and price/liquidation value, are used to analyze individual portfolio companies. In the case of restructurings or other similar changes in corporate form, company financial statements are adjusted to reflect the true economics of the firm. Particular attention is directed at free cash flow, as the General Partner believes that changes in cash flow dynamics often precede significant corporation activity.
- *Competitive dynamics, market position, and opportunities for profitable*

reinvestment of cash: The competitive dynamics of the industry and the market position of a company within the industry are assessed. Does the firm have a dominant market position? Is competition increasing? Can the firm reinvest its cash flow at above-average rates of return?

- *Management capability and intent:* The management of each portfolio company is evaluated carefully. Does management have a plan and does management's track record indicate that they can execute on the plan? Is management profit-oriented and do they demonstrate intent to run the company for the benefit of shareholders?
- *Catalysts:* Is there a potential catalyst, such as reorganization, restructuring, spin-off, merger or acquisition, or other extraordinary corporate transaction, that will expose the true value of either a long or short investment?

An inherent risk when using fundamental analysis is that this methodology does not attempt to anticipate short term market movements though the price of a security can and often does move up and down along with the overall market regardless of the economic and financial factors considered by us in evaluating the particular security. Nevertheless, we believe that fundamental analysis should prevail over time and that with proper price discipline, absolute returns consistent with the Funds' objectives can be generated.

Technical analysis: We can also analyze past market movements and apply that analysis to the present in an attempt to recognize recurring patterns of investor behavior and potentially predict future price movement. Technical analysis includes both cyclical analysis and charting.

Cyclical analysis: In this type of technical analysis, we measure the movements of a particular stock against the overall market in an attempt to anticipate the price movement of the security.

Charting: In this type of technical analysis, we review charts of market and security activity in an attempt to identify when the market is moving up or down and to predict when how long the trend could potentially last and when that trend might reverse.

A risk of technical analysis is that it does not consider the underlying financial condition of a company. This presents the possibility that, without further fundamental analysis, a poorly-managed or financially unsound company will underperform the market in the long term regardless of market movement or momentum.

Quantitative analysis: As appropriate, we use mathematical models in an attempt to obtain more accurate measurements of a company's quantifiable data, such as the value of a share price or earnings per share, and predict changes to that data.

A risk in using quantitative analysis is that the models used can be based on assumptions that prove to be incorrect.

Qualitative analysis: We subjectively evaluate non-quantifiable factors such as quality of management, labor relations, and strength of research and development factors not readily subject to measurement, and predict changes to share price based on that data.

A risk in using qualitative analysis is that our subjective judgment could prove incorrect.

Subadviser analysis. It is our policy and practice to conduct initial due diligence with respect to any investment manager considered for engagement as a subadviser and to monitor any selected investment manager on an on-going basis to determine and evaluate the portfolio management team's background, experience and philosophy; the process by which the manager makes investment decisions; how those decisions are implemented; the manager's investment track record in both up and down markets; the manager's risk management controls, parameters and evaluation process, and the adequacy and effectiveness of the manager's operational and compliance controls and infrastructure.

A risk of investing in a Mutual Fund managed by a subadviser selected after appropriate due diligence is that a subadviser that has been successful in the past may not be able to replicate that success in the future. In addition, as we do not control the subadviser's daily business and compliance operations, it is possible for us to miss the absence of internal controls necessary to prevent operational, regulatory, or reputational deficiencies.

Risks for All Forms of Securities Analysis: Our analysis methods rely on the assumption that the companies whose securities we purchase and sell, the rating agencies that review these securities, and other publicly-available sources of information about these securities, are providing accurate and unbiased data. While we are alert to indications that data could be incorrect, there is always a risk that our analysis can be compromised by inaccurate or misleading information.

INVESTMENT STRATEGIES:

The following investment strategies could be used when managing client assets.

Long-Term Purchases: We purchase securities with the idea of holding them in the Fund as an investment. We would do this because we believe the securities to be currently undervalued.

A risk in a long-term purchase strategy is that, by holding the security for this length of time, we may not take advantage of short-term gains that could be profitable to a client. Moreover, if our predictions are incorrect, a security could decline sharply in value before we make the decision to sell.

Short-term purchases: We can also purchase securities with the idea of selling them within a relatively short time, typically a year or less. On occasion, we could even purchase securities with the intention of selling them within 30 days or less. We typically will make short term purchases in an effort to take advantage of conditions that we believe will soon result in a price swing in the securities we purchase.

A risk in a short-term purchase strategy is that, should the anticipated price swing not materialize, we are left with the option of having a long-term investment in a security that was intended to be a short-term purchase, or potentially taking a loss. In addition, this strategy involves more frequent trading than does a longer-term strategy, and will result in increased brokerage and other transaction-related costs, as well as less favorable tax treatment of short-term capital gains.

Short Sales: We can borrow shares of a stock on behalf of a Fund from another who owns the stock with a promise to replace the shares on a future date at a certain price.

Those borrowed shares are then sold. On the agreed-upon future date, we buy the same stock and return the shares to the original owner. Short positions in equity securities are typically in companies that are believed to be overvalued relative to the market, have weak market positions, participate in increasingly competitive marketplaces, have poor management that destroy or inhibit growth in value, or have weakening cash flows and precarious balance sheets. We engage in short selling based on our determination that the stock will go down in price after we have borrowed the shares. If we are correct and the stock price has gone down since the shares were purchased from the original owner, the client account realizes the profit.

Short selling results in some unique risks:

- *Losses can be infinite.* A short sale loses when the stock price rises, and a stock is not limited (at least, theoretically) in how high it can go. For example, if you short 100 shares at \$50 each, hoping to make a profit but the shares increase to \$75 per share, you'd lose \$2,500. On the other hand, the price of a stock cannot fall below \$0, which limits your potential upside.
- *Short squeezes can wring out profits.* As stock prices increase, short seller losses also increase as sellers rush to buy the stock to cover their positions. This increase in demand, in turn, further drives the prices up.
- *Timing.* Even if we are correct in determining that the price of a stock will decline, we run the risk of incorrectly determining when the decline will take place, i.e., being right too soon. Although a company is overvalued, it could conceivably take some time for the price to come down; during which you are vulnerable to interest, margin calls, etc.
- *Inflation.* History has shown that over the long term, most stocks appreciate. Even if a company barely improves over time, inflation should drive its share price up somewhat. In fact, short selling may not be appropriate in times of inflation for that very reason, as prices can adjust upwards regardless of the value of the stock.

Leveraged Transactions: We can purchase stocks for the Funds with borrowed money, subject to stated limitations under the Funds' governing documents and applicable law. This allows us to purchase more stock than we would otherwise be able to with the Funds' available cash, and allows us to purchase stock without selling other holdings.

A risk of leveraged transaction is that, in volatile markets, securities prices can fall very quickly. If the value of the securities in your account minus what you owe the broker falls below a certain level, the financial institution will issue a "margin call", and you will be required to sell your position in the security purchased on margin or add more cash to the account. In some circumstances, you could potentially lose more money than you originally invested.

Option Writing: From time to time as we deem appropriate, and in accordance with the investment mandate for the Funds, we can also use options as an investment strategy. An option is a contract that gives the buyer the right, but not the obligation, to buy or sell an asset (such as a share of stock) at a specific price on or before a certain date. An option, just like a stock or bond, is a security. An option is also a derivative, because it derives its value from an underlying asset. The two types of options are calls and puts:

A call gives us the right to buy an asset at a certain price within a specific period of time.

We will buy a call if we have determined that the stock will increase substantially before the option expires.

A put gives us the holder the right to sell an asset at a certain price within a specific period of time. We will buy a put if we have determined that the price of the stock will fall before the option expires.

We will use options to speculate on the possibility of a sharp price swing. We will also use options to “hedge” a purchase of the underlying security; in other words, we will use an option purchase to limit the potential upside and downside of a security we have purchased for your portfolio.

We can use “covered calls,” in which we sell an option on security you own. In this strategy, you receive a fee for making the option available, and the person purchasing the option has the right to buy the security from you at an agreed-upon price.

A risk of covered calls is that the option buyer does not have to exercise the option, so that if we want to sell the stock prior to the end of the option agreement, we have to buy the option back from the option buyer, for a possible loss.

We can also use options to implement a “spread strategy,” in which we purchase two or more option contracts (for example, a call option that you buy and a call option that you sell) for the same underlying security. This effectively puts you on both sides of the market, but with the ability to vary price, time and other factors.

A risk of spread strategies is that the ability to fully profit from a price swing is limited.

OTC Securities: We can invest in swaps, forwards and certain options or other bilateral contracts not traded over or regulated by an exchange. Such investments are subject to the risk of nonperformance by the counterparty to the transaction including risks relating to the financial soundness and creditworthiness of the counterparty.

Risks in General: Securities investments are not guaranteed and you could lose money on your investments. Investors or prospective investors should carefully review the funds current prospectus and statement of additional information, or for any of our funds under consideration for investment for a detailed explanation of many of the risks associated with investment.

Item 9. Disciplinary Information

We are required to disclose any legal or disciplinary events that are material to a client's or prospective client's evaluation of our advisory business or the integrity of our management.

Neither our firm nor our management personnel have reportable disciplinary events to disclose.

Item 10. Other Financial Industry Activities and Affiliations

Principals of Easterly Funds own FDX Capital LLC, a FINRA registered broker dealer that

shares its' principal office with Easterly Funds. Neither Easterly, nor any subadviser engaged on behalf of the Funds, enter trades for the Funds through FDX Capital LLC. FDX Capital LLC, however, has been engaged to provide marketing and placement services on behalf of the Funds. (Refer to Item 14 of this Brochure for additional information). Easterly Funds also reimburses FDX Capital for various marketing related expenses of FDX employees engaged in marketing and distributing interests in the Funds.

Easterly Funds maintains affiliations or strategic partnerships with the following businesses:

- **Easterly Investment Partners LLC (“EIP”).** Easterly Investment Partners LLC is an SEC-registered investment adviser that provides discretionary or non-discretionary investment advice and/or management services to separately managed accounts, model portfolios/ unified managed accounts, an Undertaking For The Collective Investment of Transferrable Securities fund that is sponsored by another manager, funds that are registered investment companies under the Investment Company Act of 1940, and a private fund. EIP's parent company owns less than 25% of the voting interests of Easterly Funds, but has certain management and governance rights including the right to direct the day to day operations of Easterly Funds. EIP therefore has a conflict of interest because it may have a financial incentive to recommend the Easterly Mutual Funds to its clients. To mitigate this conflict, EIP does not recommend any fund advised by Easterly Funds to its clients. Further, if a client account was to hold an interest in a fund advised by Easterly Funds, EIP would offset its advisory fees for such account by an amount equal to the management fees paid to Easterly Funds in respect of such investment.
- **Easterly EAB Risk Solutions LLC (“Easterly EAB”).** Easterly EAB is an SEC-registered investment adviser that was formed as a strategic partnership between EAB Investment Group, LLC, Easterly Funds' indirect minority owner Easterly Asset Management LP (“**EAM**”), and Easterly Securities LLC. Easterly EAB operates independently of Easterly Funds and serves as a sub-adviser to a registered investment company advised by Easterly Funds. EAM owns non-voting interests in Easterly EAB entitling it to share in certain of Easterly EAB's revenues, and does not “control” Easterly EAB.
- **Orange Investment Advisors, LLC (“OIA”).** OIA is an SEC-registered investment adviser that operates independently of Easterly Funds and serves as a sub-adviser to a registered investment company advised by Easterly Funds. EAM owns non-voting interests in OIA entitling it to share in certain of OIA's revenues, and does not “control” OIA.
- **Easterly Government Properties Inc. (NYSE: DEA).** DEA is a publicly traded company that focuses primarily on the acquisition, development and management of Class A commercial properties that are leased to U.S. Government agencies that serve essential U.S. Government functions. Darrell Crate serves as the Chairman of the Board of Directors of DEA and owns less than 1% of DEA's publicly traded shares. Due to Mr. Crate's roles at Easterly Funds and DEA, Easterly Funds may have an incentive to recommend DEA shares to client accounts. To mitigate this conflict, Easterly Funds restricts the purchase of DEA shares by its clients.
- **Easterly Investment Partners GP LLC.** Easterly Investment Partners GP LLC is a special purpose vehicle that serves as the general partner of SCIP. Easterly Investment Partners GP LLC is under common control with Easterly Funds and

receives incentive fees from SCIP.

- **Easterly Maritime Logistics Equity Partners LLC (“MLEP”)**. MLEP was formed by principals of Easterly in partnership with FDX Offshore to invest through its subsidiaries in maritime shipping assets. Easterly Funds’ indirect minority owners EAM and Easterly Capital LLC are minority owners of MLEP. Easterly Funds does not invest client assets in MLEP entities or earn any investment advisory fees with respect to MLEP investments.

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

Our Firm has adopted a Code of Ethics which sets forth high ethical standards of business conduct that we require of our employees, including compliance with applicable federal securities laws. Our Code of Ethics includes policies and procedures for the review of quarterly securities transactions reports as well as initial and annual securities holdings reports that must be submitted by the firm’s access persons. Among other things, our Code of Ethics also requires the prior approval of any acquisition of securities in a limited offering (e.g., private placement) or an initial public offering. Our Code provides for oversight, enforcement and recordkeeping. A copy of our Code of Ethics is available to our advisory clients and prospective clients, upon request to the Chief Compliance Officer via email at compliance@easterlyfunds.com by phone at (617) 231-4300 or by mailing your request to the firm’s principal office address.

Executive officers and/or other employees of our firm can invest in one or more of the same or similar securities for which we invest on behalf of our clients.

It is the expressed policy of our firm that no person employed by us can usurp an investment opportunity which can be appropriate for one or more of the Funds without first presenting the opportunity to our investment team, particularly when there is limited availability for participation in the opportunity.

As these situations represent a conflict of interest, we have established the following restrictions in order to ensure our fiduciary responsibilities:

- No officer or employee of our firm can prefer his or her own interest to that of an advisory client.
- We maintain a list of all securities holdings for our firm and anyone associated with this advisory practice with access to advisory recommendations, Fund holdings or trading information. These holdings are reviewed on a regular basis by the Chief Compliance Officer.
- All of our principals and employees must act in accordance with applicable Federal and State regulations governing registered investment advisory practices.
- Any individual not in observance of the above can be subject to disciplinary action up to and including termination.

Our Code of Ethics further includes the firm's policy prohibiting the use of material non-public information. While we do not believe that we have any particular access to non-public information, all employees are reminded that such information should not be used in a personal or professional capacity.

Certain Model Portfolios may include a recommend allocation to one or more Mutual Funds, for which Easterly will separately earn management fees. This creates a conflict of interest because Easterly would have an incentive to include its proprietary Mutual Funds in the Model Portfolios in order to earn additional management fees and benefit from increased assets under management in the Mutual Funds. To mitigate this conflict, the advisory fees Easterly earns for providing each Model Portfolio are reduced by a percentage equal to the maximum permitted allocation to the Mutual Funds in such Model Portfolio. In addition, the permitted allocation to Mutual Funds in each Model Portfolio is limited.

Item 12. Brokerage Practices

Easterly will endeavor to select those brokers or dealers which will provide the best services at the lowest commission rates possible. The reasonableness of commissions is based on the broker's stability, reputation, ability to provide professional services, competitive commission rates and prices, research, trading platform, and other services which will help Easterly Funds in providing investment management services to clients. Easterly Funds can, therefore use a broker who provides useful research and securities transaction services even though a lower commission could be charged by a broker who offers no research services and minimal securities transaction assistance. Research services could be useful in servicing all our clients, and not all of such research may be useful for the account for which the particular transaction was effected.

As disclosed at Items 4 and 8, we do engage subadvisors to manage all or a portion of a Fund. Each such subadviser will have its own policies, practices and procedures with respect to brokerage. As part of its due diligence of subadvisors, Easterly Funds will generally seek to ensure that any subadviser engaged by the Firm has adopted policies and procedures reasonably designed to ensure that the subadviser will seek best execution for trades placed in client accounts and that the subadviser endeavors to select brokers, dealers or other counterparties that will provide the best services at the lowest commission rates possible under the circumstances. It should be noted, however, that we do not have any direct influence or control over any subadvisers' selection of brokers, dealers or counterparties when executing transactions.

We do not have any formal or informal soft-dollar arrangements and do not receive any soft-dollar benefits from any broker, dealer or other counterparty. However, some of our subadvisors could, and as part of our due diligence process we would seek to ensure that they are complying with Section 28(e) safe harbor of the Securities Exchange Act of 1934.

Trade Aggregation:

As a general policy, we will seek to aggregate trades among clients transacting in the same securities at roughly the same time when doing so is advantageous to clients. Aggregating trades permits some advisers to trade blocks of securities composed of assets from multiple client accounts so long as transaction costs are shared equally and on a pro-rated basis between all accounts included in any such block.

Internal Cross Transactions

In effecting cross transactions, Easterly Funds and/or the subadvisors seek to reduce the transaction costs to its funds of such account adjustments. All such cross trades will be consistent with the investment objectives and policies of each client involved in the trades,

and will be effected at a current independent market price of the securities involved in the trades determined by the Investment Manager and/or the Sub-Advisor. The funds involved in such cross trades will not pay any brokerage commissions or marks up in connection with the trades, but will pay customary transfer fees (i.e., aggregate ticket charges) that are assessed through any unaffiliated broker dealers through which the trades are effected. Cross trades will not be effected if Investors holding a majority of the Interests not held by affiliates of the investment advisor and /or the sub-advisor revoke such authority.

The adviser must ensure that a cross trade achieves best execution for funds and/or clients, and that no fund or client is disadvantaged by the transaction. Furthermore, the adviser must be careful to avoid cross trades with funds in which the Adviser, its employees and/or its controlling persons hold significant positions (i.e., aggregate ownership of 25% or more) as such transactions could be characterized as principal transactions by regulators. Easterly Funds policy and practice is to not engage in any principal transactions, and the Firm's policy is appropriately disclosed to relevant individuals including the COO, CIO, and Trader.

The firm can consider engaging in cross trades if all the Safe Harbor conditions of the Investment Company Act Rule 17a-7 are adhered to and in the best interest of the funds.

Item 13. Review of Accounts

Mutual Funds

The Funds are reviewed regularly by Easterly Funds investment professionals. The firm monitors financial, operational and risk factors that are or may be relevant to the respective funds.

Investors and prospective investors in the Mutual Funds should refer to the prospectus for important information regarding reviews and regular reports provided to the Fund trustees and/or investors by Easterly Funds.

Item 14. Client Referrals and Other Compensation

Easterly has entered into arrangements to compensate certain affiliated and unaffiliated persons for referring investors to the Mutual Funds, including FDX Capital, LLC, an affiliated broker dealer sharing office space with Easterly Funds. This compensation is paid by Easterly Funds rather than the Mutual Funds and, therefore, these arrangements neither increase the investment cost of any investor nor the fees and expenses paid by the Mutual Funds. Easterly Funds also reimburses its affiliate, FDX Capital, LLC, for various marketing related expenses of FDX employees engaged in marketing and distributing interests in the Mutual Funds.

Easterly Funds has entered into an arrangement to compensate Easterly Securities LLC ("Easterly Securities") for referring investors to the Mutual Funds. Darrell Crate, the CEO of Easterly Funds LLC, is a control person of Easterly Securities. Pursuant to this arrangement, the parent company of Easterly Securities will be entitled to reimbursement for certain costs related to its associated persons.

In theory, the payment of compensation for investor referrals can create a potential conflict of interest to the extent that such a referral is not unbiased and the referring party is, at

least partially, motivated by financial gain. As this situation can present a conflict of interest, we strive to ensure that all such compensation is paid in accordance with applicable regulatory requirements, and that we provide fair disclosure of such conflicts or potential conflicts of interest.

Item 15. Custody

Easterly Funds LLC does not maintain direct, physical custody of client assets. Custody of client assets is the responsibility of a qualified custodian or broker-dealer. If Easterly Funds inadvertently came into possession of any client cash or securities it will return them to the client or handle in such other way as may be required under applicable regulation.

Item 16. Investment Discretion

Easterly Funds has been granted the discretionary authority in the relevant advisory agreements entered into (or assigned by) each client to determine which securities and the amounts of securities that are bought or sold for the Funds.

Item 17. Voting Client Securities

Easterly Funds is granted the authority and responsibility to vote proxies solicited by the issuers of securities held in client accounts. Easterly Funds and its subadvisors will vote proxies in the best interest of clients, typically with the goal of maximizing value. Easterly Funds and each such subadvisor will have its own policies, practices, and procedures with respect to proxy voting.

Voting Guidelines for the Easterly Funds Internally Managed Accounts

- Easterly Funds LLC has engaged the services of a third-party service provider (Broadridge) to vote client proxies subject to written guidelines provided by Easterly Funds and in conformity with our Proxy Voting Policy.
- The internally managed funds primarily invest in unaffiliated ETFs and mutual funds, and the funds rely on exemptive order 12(d)(1)(F) of the 1940 Act. The acquiring fund is required to vote in the same proportion as the shareholders of the acquired fund. Notwithstanding the guidelines provided in these procedures, it is the policy of Easterly Funds LLC to vote all proxies received from the Underlying Funds in the same proportion that all shares of the Underlying Funds are voted, or in accordance with instructions received from fund shareholders, pursuant to Section 12(d)(1)(F) of the 1940 Act. After properly voted, the proxy materials are placed in a file maintained by the Chief Operations Officer for future reference.
- Proportional Voting. Under a proportional voting system, uninstructed shares are voted in the same proportion as instructed shares, with no minimum amount of instructed shares being required. The method of calculating the proportional vote in terms of identifying unvoted accounts is determined by each firm. In some cases, proportional voting is applied to all unvoted shares and in other cases proportional voting is applied only to unvoted retail accounts. The proportional vote is calculated by taking the actual vote returns and calculating the percentage of "For," "Against"

and “Abstain/Withhold” votes. The percentages for each of these categories are then applied to the remaining unvoted shares, and those shares are applied to the appropriate voting category. The proportional vote is issued two (2) business days prior to the meeting date. The proportional shares will be adjusted and recalculated, as necessary, if additional instructed shares are received from the shareholders after the initial proportional vote is issued.

As part of Easterly Funds due diligence of the subadvisors, the firm will seek to ensure that any subadvisor engaged by the firm has adopted policies and procedures that govern how proxies are voted. Both Easterly Funds and its subadvisors policies and procedures are required to address the handling of conflicts of interest that may arise in the voting of proxies. To that end, our firm endeavors to vote proxies in the manner that it determines in good faith will be the most likely to cause the Funds’ investments to increase the most or decline the least in value. Consideration is given to both the short and long-term implications of the proposal to be voted on when considering the optimal vote. Easterly Funds complete proxy voting policy and procedures has been memorialized and is available for investors to review upon request of the Chief Compliance Officer via email at compliance@easterlyfunds.com, by phone at (617) 231-4300, or by mailing your request to the firm’s principal office address.

Item 18. Financial Information

Under no circumstances will we earn fees in excess of \$1,200 more than six months in advance of services rendered, and as such, we are not required to include a financial statement with this Brochure.

Easterly Funds LLC has not been the subject of a bankruptcy petition at any time during the past ten years.