

FORM ADV PART 2A: FIRM BROCHURE

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THIS BROCHURE PROVIDES INFORMATION ABOUT THE QUALIFICATIONS AND BUSINESS PRACTICES OF ALPHA PARADIGM PARTNERS, LLC. IF YOU HAVE ANY QUESTIONS ABOUT THE CONTENTS OF THIS BROCHURE, PLEASE CONTACT US AT (773) 288-9325. THE INFORMATION IN THIS BROCHURE HAS NOT BEEN APPROVED OR VERIFIED BY THE UNITED STATES SECURITIES AND EXCHANGE COMMISSION OR BY ANY STATE SECURITIES AUTHORITY.

ADDITIONAL INFORMATION ABOUT ALPHA PARADIGM PARTNERS, LLC ALSO IS AVAILABLE ON THE SEC'S WEBSITE AT WWW.ADVISERINFO.SEC.GOV.

REGISTRATION AS AN INVESTMENT ADVISER DOES NOT IMPLY A CERTAIN LEVEL OF SKILL OR TRAINING.

MATERIAL CHANGES

Alpha Paradigm Partners, LLC (“Alpha Paradigm” or the “Firm”) previously filed a firm brochure with the U.S. Securities and Exchange Commission (“SEC”) dated March 25, 2022. The following material information has been added since the previous filing:

- The description of the Firm’s Advisory Business has been updated its discretionary assets under management. *See “Advisory Business.”*
- The Strategic Relationship has ended. *See “Strategic Relationship.”*

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ADVISORY BUSINESS

Alpha Paradigm Partners, LLC (“Alpha Paradigm” or the “Firm”), a Delaware limited liability company, was founded in March 2017 and commenced research and development operations in November 2017. APP Holdings, L.P. (“APP Holdings”), a Delaware limited partnership, is the sole principal owner of Alpha Paradigm. John FitzGibbon, the Chief Executive Officer and Chief Compliance Officer of Alpha Paradigm and Barry Timmins, the Chief Research Officer, (the “Principals”), and their related parties are the controlling members of APP Holdings.

Alpha Paradigm is an investment management company that expects to provide discretionary investment advice to separately managed accounts (“Client Accounts”) and private investment funds (“Funds” and, together with the Client Account, “Clients”) using the Alpha Paradigm Strategy (the “APP Strategy”).

The investment objective of the APP Strategy is to provide attractive risk-adjusted returns over full market cycles with less volatility than the broad equity markets. The Firm has discretion with respect to investment decisions it makes for the Funds and also with respect to the selection of brokers, dealers and other counterparties for such transactions, and the amount of commissions or other compensation to be paid by the Funds. The terms, nature and scope of the Firm’s advisory services may be negotiated by the Firm and the applicable Client, based on the Client’s specific financial and investment objectives, risks and goals. The Firm does not participate in wrap fee programs.

As of January 1, 2023, Alpha Paradigm manages approximately \$0 of client assets on a discretionary basis.

FEES AND COMPENSATION

Alpha Paradigm charges both asset-based “management fees” and performance-based “performance fees” to certain of its Clients. These fees are not based on a pre-determined fee schedule, and may be set and negotiated by Alpha Paradigm based on a variety of factors, including, but not limited to, the size, composition and complexity of the Client’s account, length and nature of Alpha Paradigm’s relationship with the Client, special services agreed upon with the Client or other factors deemed relevant by Alpha Paradigm. The rate and frequency of such management fees generally will be set out in Alpha Paradigm’s investment advisory agreement with the applicable Client or in the offering documents of the applicable Fund. Management fees for the Client Accounts may be periodically billed to the applicable Clients, or may be paid by deduction of such compensation from the applicable Client Account, as agreed between Alpha Paradigm and the applicable Client. Management fees due from the Funds will generally be deducted directly from the assets of the Fund.

Other Fees and Expenses. Alpha Paradigm’s Clients will incur other expenses in connection with Alpha Paradigm’s advisory services. Such expenses are expected include transaction fees, brokerage commissions, custody fees; government charges, taxes and duties; transfer fees and registration fees; withholding taxes payable and required to be withheld by issuers or their agents; and other related costs and expenses that will be incurred by a Client with respect to the transactions effected by Alpha Paradigm on its behalf. Clients will also bear the investment management or other fees charged by any mutual funds or ETFs in which Alpha Paradigm may invest on the Clients’ behalf (if applicable).

Investors in the Funds will also bear additional charges and expenses in connection with such investment.

Each Fund generally will incur legal and organizational expenses in connection with its formation and initial offering, which generally will be borne by the applicable Fund (and, therefore, indirectly by its investors). In addition, the Funds will also bear ongoing expenses, which may include, without limitation, legal, bookkeeping, accounting, auditing, recordkeeping, administration, computer and clerical expenses (including expenses incurred in preparing reports and tax information and regulatory authorities and expenses for specialized administrative services); printing and duplication expenses; investment research expenses, market data, newswire and data processing expenses; software and connectivity charges; bank charges and borrowing costs; exchange, board of trade or other trading or execution facility membership or participation expenses; offering expenses; filing fees; directors' and officers' liability insurance; investment and operating expenses; and other expenses necessary to operate such Fund. Additional details regarding the fees and expenses borne by investors in the Funds will be set forth in the offering documents for such Funds.

PERFORMANCE BASED FEES AND SIDE-BY-SIDE MANAGEMENT

Alpha Paradigm also will charge performance-based compensation with respect to the Client Accounts and Funds that it manages. These fees are not based on a pre-determined fee schedule, and may be set and negotiated by Alpha Paradigm based on a variety of factors, including, but not limited to, the size, composition and complexity of the Client's account, length and nature of Alpha Paradigm's relationship with the Client, special services agreed upon with the Client or other factors deemed relevant by Alpha Paradigm. The rate and frequency of such performance-based compensation generally will be set out in Alpha Paradigm's investment advisory agreement with the applicable Client or in the offering documents of the applicable Fund. Performance-based compensation for the Client Accounts may be periodically billed to the applicable Clients, or may be paid by deduction of such compensation from the applicable Client Account, as agreed between Alpha Paradigm and the applicable Client. Performance-based compensation due from the Funds will generally be deducted directly from the assets of the Fund.

Conflicts of Interest Related to Performance-Based Compensation. A significant percentage of the appreciation (if any) which would otherwise be allocated to certain Clients and Fund Investors is paid to Alpha Paradigm. This performance-based compensation is based upon unrealized, as well as realized, gains, and such unrealized gains may never be recognized by the Client. However, Alpha Paradigm or its affiliates may also manage Client Accounts or Funds that do not pay performance-based compensation to Alpha Paradigm, but rather pay only an asset-based fee. This gives rise to a potential conflict of interest, as Alpha Paradigm may have an incentive to favor the accounts of Clients for which it or its affiliates receive performance-based compensation over accounts for which they do not receive such compensation, for example, seeking to allocate more profitable investment opportunities to the accounts for which Alpha Paradigm receives performance-based compensation. However, Alpha Paradigm has implemented aggregation and allocation procedures to allocate the securities bought or sold between the Client Accounts on a fair and equitable basis over time.

TYPES OF CLIENTS

Alpha Paradigm Clients and Fund investors may include, but are not limited to, high net worth individuals, other investment funds, family offices, endowments, foundations, trusts, charitable organizations, pension plans, sovereign wealth funds and corporate or business entities. Client Accounts are generally expected to be subject to a minimum initial investment of \$10,000,000, unless such minimum is waived by Alpha

Paradigm in its sole discretion.

METHODS OF ANALYSIS, INVESTMENT STRATEGIES AND RISK OF LOSS

Investment Strategy

The investment objective of the APP Strategy is to provide attractive risk-adjusted returns over full market cycles with less volatility than the broad equity markets. Alpha Paradigm seeks to achieve this investment objective through the use of a proprietary equity market-neutral investment strategy based upon fundamental research and quantitative analysis. Alpha Paradigm implements this strategy through the holding of both long and short positions in approximately equal aggregate market value amounts while seeking to maintain near market-neutral exposure to certain risk factors.

In managing the APP Strategy, Alpha Paradigm takes both long and short positions in a broad range of investment instruments, including equity securities, Exchange Traded Funds (“ETF’s”) and futures. Alpha Paradigm generally implements the investment objective of the APP Strategy on a systematic basis but reserves the right to act on a discretionary basis when it believes that doing so is in the best interest of its Clients.

Methods of Analysis

Alpha Paradigm relies on a combination of fundamental, quantitative, qualitative and technical analysis and both internally derived and externally obtained research, in making investment decisions on behalf of the Client Accounts. Alpha Paradigm’s Chief Executive Officer (“CEO”) manages the research and analysis functions.

Alpha Paradigm’s research contributors (the “Research Contributors”) are typically long-only, long/short or short-only equity managers that provide data to Alpha Paradigm. The data may include stock-picks, target position-size and other information related to their investment strategies, generally provided to Alpha Paradigm with a lag of one day or more. Alpha Paradigm relies on external Research Contributors for its ideas and combines the ideas in a systematic process, using statistical techniques to identify what it believes are robust predictors of outperformance within and across its research contributors. Alpha Paradigm compensates its Research Contributors for their ideas through a fixed fee and a variable fee that is intended to be based on the quality of the ideas contained in their data.

Alpha Paradigm monitors various risk parameters of the investment instruments and portfolios that it oversees on behalf of its Clients. Alpha Paradigm intends to manage the APP strategy to a dollar and beta neutral target each day, with some expected allowable variance in its formal risk constraints

Certain Risk Factors

The identification of attractive investment opportunities is difficult and involves a significant degree of uncertainty. Potential Clients should consider the following risks before engaging Alpha Paradigm to manage their accounts.

Use of Third-Party Data for Research and as Inputs to Alpha Paradigm’s Models. Alpha Paradigm relies heavily on data provided by its Research Contributors. If the quality of the ideas does not contain idiosyncratic information that predicts the outperformance of the securities in the data, or if there is a sustained interruption of data from its Research Contributors, Alpha Paradigm may not meet its

investment objectives. Similarly, Client returns may be adversely affected if the outperformance suggested in the back-tested research conducted by Alpha Paradigm, using the Research Contributor data, is not achieved in actual trading.

Timing of the Receipt of Third-Party Data. Alpha Paradigm receives its Research Contributor data with a lag of a day or more relative to when the Research Contributors trade or advise their other Clients. While this is a potential risk to the strategy, as such data will not account for market events or trading occurring in the interim, Alpha Paradigm has developed its models based on the lag associated with the data. Alpha Paradigm's outperformance objectives for the underlying securities for which it generates forecasts are longer than the period of the lag in the receipt of the data from the Research Contributors. However, there can be no guarantee that the outperformance forecasted by Alpha Paradigm from the data from the Research Contributors will be sustained in the future. If the outperformance fails to materialize or the efficacy declines over time, there is a risk that Alpha Paradigm may not meet its performance objectives, which could result in losses to Clients.

Use of Third-party Consultant to Create and Improve its Investment Models. Alpha Paradigm may collaborate with a third-party consultant to perform its analysis to create and improve its portfolio management models. If the quality of the models created by its third-party consultant do not perform similarly to Alpha Paradigm's back-tested performance, it may fail to meet its investment objectives, which could result in losses to Clients. While Alpha Paradigm has thoroughly vetted the inputs to and outputs from the model, Alpha Paradigm may not have visibility into all technical aspects of the statistical techniques in the consultant's investment models. Additionally, Alpha Paradigm intends to regularly review and update the models that it employs in an effort to improve their performance. However, there is a risk that the intended improvements to the models may not improve performance and may, in fact, lead to a deterioration in performance or the failure to achieve Alpha Paradigm's investment objectives.

Equity Securities. Alpha Paradigm may trade in equity securities on behalf of Clients. Common stock and similar equity securities generally represent the most junior position in an issuer's capital structure and, as such, generally entitle holders to an interest in the assets of the issuer, if any, remaining after all more senior claims to such assets have been satisfied. Holders of common stock generally are entitled to dividends only if and to the extent declared by the governing body of the issuer out of income or other assets available after making interest, dividend and any other required payments on more senior securities of the issuer. The value of equity securities may fluctuate in response to specific situations for each company, industry market conditions and general economic environments.

Trading in ETFs. Alpha Paradigm may invest in ETFs on behalf of Clients, both long and short. ETFs are funds that track a particular basket or index of securities traded on a public exchange, such as the American Stock Exchange. ETF investments are subject to the risks arising from the portfolio of underlying stocks, including market and issuer risks, but may also present certain unique risks. It is possible for the value of ETFs to fall or to rise more slowly than the stock market as a whole even when stock prices in general are rising. In addition, the fees and expenses charged by such ETFs result in an additional level of fees and greater expense to Clients than would be associated with direct investment.

Turnover. Alpha Paradigm expects to invest Client assets on the basis of short-term market considerations. The portfolio turnover rate of investments for Clients may be significant, and therefore may incur substantial brokerage commissions, mark-ups and fees that will reduce the Clients' investment returns.

Short Sales. A short sale involves the sale of a financial instrument that a Client does not own in the expectation of purchasing the same financial instrument (or a financial instrument exchangeable therefor) at a later date at a lower price. To make delivery to the buyer, the Client often must borrow the financial instrument, and the Client is obligated to return the financial instrument to the lender, which is

accomplished by a later purchase of the financial instrument by the Client. When the Client makes a short sale of a financial instrument on a U.S. exchange, it must leave the proceeds thereof with a broker and it must also deposit with a broker an amount of cash or U.S. Government or other securities sufficient under current margin regulations to collateralize its obligation to replace the borrowed securities that have been sold. If short sales are effected on a non-U.S. exchange, such transactions will be governed by local law. A short sale involves the risk of a theoretically unlimited increase in the market price of the financial instrument and a corresponding loss to the Client. The extent to which Alpha Paradigm engages in short sales on behalf of Clients depends upon its investment strategy and perception of market direction. Alpha Paradigm does not necessarily have a policy limiting the amount of capital it may deposit to collateralize Clients' obligations to replace borrowed financial instruments sold short.

Outsourced Trading. Alpha Paradigm relies on an outsourced trading counterparty to select appropriate algorithms for the execution of the APP Strategy. If the outsourced trading counterparty does not efficiently execute the APP Strategy's daily trades, there is a risk that Alpha Paradigm may not meet its investment objectives and that Clients may incur losses. The outsourced trading counterparty may receive rebates at various exchanges that accrue to the benefit of the outsourced trading counterparty based on the passivity of the trading of Alpha Paradigm's orders, and [neither Alpha Paradigm nor the Clients will be entitled to receive any portion of such rebates]. Alpha Paradigm measures the quality and price of its executions and does not believe that the rebates represent a material conflict of interest with its outsourced trading counterparty.

Leverage. The low margin and collateral deposits required to trade many exchange-traded derivatives may permit an extremely high degree of leverage. In addition, Alpha Paradigm may utilize broker- provided financing in its trading on behalf of its Clients. The degree of leverage that Alpha Paradigm may utilize may not be limited to any predetermined level, but will be subject to applicable legal, regulatory or broker-imposed leverage limitations, to the extent applicable. As a result of trading with a high degree of leverage, a relatively small price movement in a financial instrument's price may result in immediate and substantial losses to Clients, and could result in the mandatory liquidation of certain positions if margin requirements are not satisfied. If a Client's assets are in a leveraged position, any losses would be more pronounced than if leverage were not used and, under particularly adverse circumstances, could exceed the Client's capital under Alpha Paradigm's management.

Reliance on Third-party Analysis and Models. Alpha Paradigm's investment strategies may rely upon models and systems developed by its third-party research and risk consultant. The research and modeling process engaged in by a third party research and risk consultant to develop and implement Alpha Paradigm's models and systems is extremely complex and involves financial, economic, econometric and statistical research and modeling, which must then be translated into computer code. Such models and systems may entail the use of sophisticated statistical calculations and complex computer systems, and there is no assurance that Alpha Paradigm will be successful in carrying out such calculations correctly or that the use of these models and systems will not expose Clients to the risk of significant losses. Although Alpha Paradigm and its third party research and risk consultants seek to hire individuals skilled in each of these functions and to provide appropriate levels of oversight, the complexity of the individual tasks, the difficulty of integrating such tasks, and the limited ability to perform "real world" testing of the end product raise the chances that the finished model may contain an error or otherwise not function in the manner intended by Alpha Paradigm.

In addition, the analytical techniques used by Alpha Paradigm and its third-party research consultant cannot provide any assurance that Clients will not be exposed to the risk of significant trading losses if the underlying patterns that form the basis for the models and systems employed by Alpha Paradigm change in ways not anticipated by Alpha Paradigm. The effectiveness of models and systems may diminish over time, and attempts to apply existing models and systems to new or different markets, strategies or

financial products may prove ineffective.

At times, Alpha Paradigm may manually override or shut down the operations of a model. This would generally be done in an effort to mitigate the damage from a deteriorating or malfunctioning model or a model that is reacting negatively to unforeseen market conditions. Such an override or intervention could result in greater losses than would be the case if there had been no intervention and/or could result in the model being overridden or inactive at a time when the model would have achieved gains for the portfolio.

Although losses arising from model risks and/or programming and modeling errors could adversely affect the strategy's performance, unless otherwise agreed with a particular Client, such losses generally would not constitute reimbursable trade errors under Alpha Paradigm's policies or the third party research and risk consultants' agreements or contracts in the absence of gross negligence, willful misconduct or fraud.

Discretion of Alpha Paradigm; New Strategies and Techniques. Alpha Paradigm expects to regularly review and update its investment models and strategies in conjunction with its third-party research consultant. Although Alpha Paradigm intends to test new investment strategies in the simulation environment before deploying them in actual trading on behalf of Clients, such strategies may have operational or theoretical shortcomings which could result in unsuccessful trades and, ultimately, losses to Clients. In addition, any new investment strategy or technique developed by Alpha Paradigm may be more speculative than earlier investment strategies and techniques and may involve material and as-yet-unanticipated risks that could increase the risk of loss to Clients.

Crowding. To the extent that Alpha Paradigm and its third-party research and risk consultants are not able to develop sufficiently differentiated models, the investment objective of the APP Strategy may not be met. In addition, to the extent that Alpha Paradigm's and its third-party research and risk consultants' models overlap with those employed by other managers, the risk that a liquidation or market disruption that negatively affects active management strategies or predictive models will adversely affect Clients. A liquidation or disruption could accelerate reductions in liquidity or rapid repricing due to simultaneous trading across a number of funds in the marketplace.

Limited Liquidity. Alpha Paradigm places strict limits on the amount of its trading and holdings with respect to the average daily volume of the equities in which it trades on behalf of Clients. Alpha Paradigm generally trades a balanced portfolio with various levels of liquidity and intends to trade and hold much smaller positions when it is trading in less liquid stocks.

Hedging Transactions. Alpha Paradigm may utilize securities for risk management purposes in order to protect the unrealized gains in the value of a Client's investment portfolio, facilitate the sale of any securities, enhance or preserve returns, spreads or gains on any security in a Client's portfolio, hedge against a directional trade or for any other reason that Alpha Paradigm deems appropriate. However, Alpha Paradigm may be unable to anticipate the occurrence of a particular risk and, therefore, may be unable to attempt to hedge against it. While Alpha Paradigm may enter into hedging transactions to seek to reduce risk, such transactions may result in lower performance than if it had not engaged in any such hedging transaction. Moreover, Client portfolios will often be exposed to certain risks that cannot be hedged.

Cybersecurity Risk. As part of its business, Alpha Paradigm processes, stores and transmits large amounts of electronic information, including information relating to the APP Strategy's transactions. Similarly, service providers of Alpha Paradigm may process, store and transmit such information. Alpha Paradigm intends to implement procedures and systems that are reasonably designed to protect such information

and prevent data loss and security breaches. However, such measures cannot provide absolute security. The techniques used to obtain unauthorized access to data, disable or degrade service, or sabotage systems change frequently and may be difficult to detect for long periods of time. Hardware or software acquired from third parties may contain defects in design or manufacture or other problems that could unexpectedly compromise information security.

Network-connected services provided by third parties to Alpha Paradigm may be susceptible to compromise, leading to a breach of Alpha Paradigm's network. Alpha Paradigm's systems or facilities may be susceptible to employee error or malfeasance, government surveillance, or other security threats. Breach of Alpha Paradigm's and its third-party research and risk consultants' information systems may cause information relating to Client transactions and personally identifiable information of Clients and/or Fund investors to be lost or improperly accessed, used or disclosed. The loss or improper access, use or disclosure of Alpha Paradigm's or Clients' or Fund investors' proprietary information may cause Alpha Paradigm or Clients or Fund investors to suffer, among other things, financial loss, the disruption of its or their respective businesses, liability to third parties, regulatory intervention or reputational damage. Any of the foregoing events could have a material adverse effect on the Clients and the investors in the Funds.

The foregoing list of risk factors does not purport to be a complete enumeration or explanation of the risks involved with Alpha Paradigm's investment programs or an investment in any account advised by Alpha Paradigm. Prospective Clients must consult their own advisers before deciding whether to make such an investment.

DISCIPLINARY INFORMATION

Alpha Paradigm is required to disclose all material facts regarding any legal or disciplinary events that would be material to a Client's evaluation of Alpha Paradigm or the integrity of its management. Alpha Paradigm has no such information to report.

OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS

Research Contributors. Alpha Paradigm relies heavily upon data provided by its Research Contributors in designing, refining and implementing its investment strategies. However, the Research Contributors typically will provide investment management and advisory services to their own clients and/or proprietary accounts, which may compete for trading opportunities with Alpha Paradigm Clients. Research Contributors may have incentives to favor their own clients or proprietary accounts over Alpha Paradigm and its Clients in sharing trading ideas and data under certain circumstances, which may include (but are not necessarily limited to) situations in which the Research Contributor's own clients pay higher fees and/or different types of fees (e.g., performance-based compensation) than Alpha Paradigm pays to the Research Contributor for its data, or where the Research Contributor seeks to improve the performance "track record" of its proprietary investment strategies and products by giving them preferential access to the Research Contributors best trading ideas and opportunities. Alpha Paradigm believes that the time lag on which the Research Contributors share their data with Alpha Paradigm and the different investment horizons utilized by Alpha Paradigm in its investment strategies, as described above, help to mitigate the potential conflicts between its Clients and the interests of the Research Contributors and their own clients. Additionally, Alpha Paradigm employs strict governance in terms of the daily trading volume and liquidity of the positions it takes based on the Research Contributors' data to manage Alpha Paradigm's capacity to execute its strategy, which Alpha Paradigm believes further reduces the potential for conflict

between its trading for Clients and trading by the Research Contributors on behalf of their own clients.

Alpha Paradigm typically compensates the Research Contributors for their ideas in the form of a fixed fee and a variable fee based on Alpha Paradigm's evaluation of the quality of the ideas contained in the Research Contributor's data. To the extent that Alpha Paradigm is able to negotiate lower fees with a particular Research Contributor, Alpha Paradigm may effectively be able to retain a larger portion of the advisory fees paid by its Clients. This may create an incentive for Alpha Paradigm to select and utilize Research Contributors that are willing to lower their fees rather than selecting Research Contributors based purely on their respective qualifications and the quality of their investment ideas. However, Alpha Paradigm believes that its fee structure, including its receipt of both asset-based and performance-based compensation, mitigates this potential conflict and incentivizes Alpha Paradigm to seek out well qualified Research Contributors and investment ideas for use in the APP Strategy. Moreover, Alpha Paradigm's Code of Ethics will prohibit Alpha Paradigm from subrogating its Clients' interests to Alpha Paradigm's own interests in connection with its advisory business.

Strategic Relationship. Alpha Paradigm, APP Holdings and its principals had entered into a strategic relationship with a third-party investment adviser and certain related entities of the adviser (collectively, the "Strategic Party"). The Strategic Relationship has ended. A substantial majority of Alpha Paradigm's initial regulatory assets under management had been allocated to Alpha Paradigm by the Strategic Party. The Strategic Party had negotiated certain revenue sharing rights with Alpha Paradigm, as well as other rights to participate in the proceeds of certain transactions involving Alpha Paradigm's business, and had been granted consent rights over certain material business and other decisions affecting Alpha Paradigm. Consequently, the Strategic Party will no longer receive income from Alpha Paradigm that will be attributable to the advisory fees that Alpha Paradigm collects from its clients, and will no longer benefit prospectively from other transaction proceeds received by APP Holdings or its owners. The Strategic Party has also is no longer required to provide certain consulting services to Alpha Paradigm, including certain research, operational, compliance, marketing and due diligence support services.

Other Clients. Although Alpha Paradigm may manage investments on behalf of a number of Clients, investment decisions and allocations will not necessarily be made in parallel among all such Clients. Other accounts managed by Alpha Paradigm or its principals or affiliates may make investments and utilize investment strategies that may not be made or utilized by Alpha Paradigm on behalf of all (or any) of its Clients, and may take positions that are opposite those of all or some Clients. Accordingly, the

various accounts managed by Alpha Paradigm and its principals and affiliates may produce results that are materially different from those experienced by a particular Client, and the records of any investment management activities that Alpha Paradigm and its principals and affiliates may engage in on behalf of such other accounts will not be available to any such Client.

Other Activities of Alpha Paradigm and Related Persons. Alpha Paradigm and its principals and affiliates may engage in, invest in, participate in or otherwise enter into other business ventures of any kind, nature or description, alone or with others, including, without limitation, the management of or investment in other investment or trading accounts, entities or vehicles, and Clients shall have no right in or to any such activities or the income or profits derived therefrom.

Alpha Paradigm and its principals and affiliates may invest and trade for their own accounts, including in securities which are the same as or different or opposite from those traded or held by Clients. As a result, Alpha Paradigm and its principals and affiliates may from time to time have proprietary investments in securities in which a Client may take a position, may trade and invest simultaneously with Clients and may take investment positions that are different or opposite from the positions taken by Clients. As a result, conflicts of interest may arise between Clients and Alpha Paradigm or its principals or affiliates with respect to matters such as the allocation of investment opportunities, purchases and sales of securities in connection with particular trading situations and allocation of personnel, resources and expenses. The records of trading by Alpha Paradigm and the principals and affiliates of Alpha Paradigm generally will not be made available to Clients, except to the extent required by law. However, trading by principals and personnel of Alpha Paradigm will be subject to Alpha Paradigm's Code of Ethics and personal trading policy, as described below in "Code of Ethics, Participation or Interest in Client Transactions and Personal Trading," which seeks to mitigate the conflicts described above. Among other things, Alpha Paradigm's Code of Ethics will require employees to pre-clear certain securities transactions for their personal accounts with appropriate personnel of Alpha Paradigm.

CODE OF ETHICS, PARTICIPATION OR INTEREST IN CLIENT TRANSACTIONS AND PERSONAL TRADING

Alpha Paradigm has adopted a Code of Ethics (“Code”) that establishes the standard of business conduct that we all must follow. Our Code addresses policies and procedures that govern personal trading by our employees as well as policies and procedures that govern certain other matters, such as confidentiality of Client information and a prohibition on insider trading. A copy of Alpha Paradigm’s Code is available upon request.

As a matter of policy, Alpha Paradigm does not cause Clients to effect transactions in which one of Alpha Paradigm’s affiliates acts as broker for both the Client and the other party to the transaction (i.e., agency cross transactions), nor does Alpha Paradigm knowingly cause Clients to effect transactions in which such Client purchases securities or other instruments from, or sells securities or other instruments to, Alpha Paradigm or its principals or affiliates (i.e., principal trades). Subject to applicable law, Alpha Paradigm may effect transactions between two Clients (i.e., cross trades), either directly between the Clients’ accounts or through open-market transactions, where Alpha Paradigm determines that such trade is in the best interest of both Clients. Effecting cross trades may increase brokerage commissions and may result in certain Clients holding less of a profitable investment, or more of an unprofitable investment, than would be the case if there were no cross trades.

In addition, Alpha Paradigm may, in circumstances deemed appropriate and consistent with a Client’s investment objectives by Alpha Paradigm, cause Clients to purchase or sell securities in which Alpha Paradigm, its affiliates and/or Clients, directly or indirectly, have a position or interest. *See* “Other Financial Industry Activities and Affiliations.”

Alpha Paradigm’s employees and persons associated with Alpha Paradigm are required to follow Alpha Paradigm’s Code. Subject to satisfying this policy and applicable laws, officers, directors and employees of Alpha Paradigm and its affiliates generally are permitted to trade for their own accounts in securities which are recommended to and/or purchased for Clients, as described above in “Other Financial Industry Activities and Affiliations.” The Code is designed to assure that the personal transactions, activities and interests of the employees of Alpha Paradigm will not interfere with (i) making decisions in the best interest of Clients and (ii) implementing such decisions while at the same time allowing employees to invest for their own accounts. The Code requires pre-clearance of certain transactions for the personal securities accounts of Alpha Paradigm’s “access persons” by appropriate Firm personnel and requires that the interests of the Clients not be subrogated to those of Alpha Paradigm employees in their personal trading. Nonetheless, because the Code in some circumstances would permit employees to invest in the same securities as Clients, there is a possibility that employees might benefit from market activity by a Client in a security held by an employee. Employee trading is regularly monitored under the Code in an effort to prevent conflicts of interest between Alpha Paradigm and its Clients.

BROKERAGE PRACTICES

Unless otherwise agreed with respect to a particular Client, Alpha Paradigm generally has discretion in deciding which securities are bought and sold, the amount and price of those securities, the brokers or dealers to be used for a particular transaction, and commissions or markups and markdowns paid. Brokerage arrangements for Clients and responsibility for the selection of brokers (as between Alpha

Paradigm and the Client) will be determined pursuant to the investment advisory agreement with such Client.

Alpha Paradigm's selection of brokers and dealers for Client transactions may be based on numerous factors, which may include (but are not necessarily limited to) execution capabilities, clearance, settlement, other transaction charges, block trading and block positioning capabilities, financial strength and stability, reliability, efficiency of execution and error resolution, the availability of stock to borrow for short trades, custody, recordkeeping, capital introduction, talent introduction, marketing assistance, consulting with respect to technology, operations and equipment, commitment of capital, access to company management, access to deal flow, and similar services ("Products and Services") and not necessarily lowest pricing. Brokers and dealers may provide other services that are beneficial to Alpha Paradigm and/or certain Clients, but not beneficial to all Clients.

Accordingly, the prices and commission rates (or dealer markups and markdowns arising in connection with riskless principal transactions) charged to Clients by brokers or dealers in the foregoing circumstances may be higher than those charged by other brokers or dealers that may not offer such services. Alpha Paradigm need not solicit competitive bids and does not have an obligation to seek the lowest available commission cost or spread.

Alpha Paradigm will implement procedures to review the quality of executions by the brokers effecting trades for Clients on a periodic basis, including periodic reviews by its investment professionals.

Research and Other Soft Dollar Benefits. In exchange for the direction of commission dollars to certain brokers, credits (or soft dollars) may be generated ("Credits") which may be used by Alpha Paradigm to pay for certain Products and Services provided or paid for by such brokers. Although the commission rates charged by such brokers may not be represented as reflecting such additional Products and Services, the commission rates charged by such brokers may be higher or lower than the commission rates charged by other brokers, and Clients may be deemed to be paying for such other Products and Services provided by the broker which are included in the commission rate (i.e., "paying up"). Alpha Paradigm intends for its use of such Products and Services to qualify for the "safe harbor" set out in Section 28(e) under the Securities Exchange Act of 1934, as amended. Where a Product or Service obtained with "soft dollars" provide both research and non-research assistance to Alpha Paradigm (i.e., a "mixed use" item), Alpha Paradigm will make a good faith allocation of the cost which may be paid for with "soft dollars." In making good faith allocations of costs between administrative benefits and research and brokerage services, a conflict of interest may exist by reason of Alpha Paradigm's allocation of the costs of such benefits and services between those that primarily benefit the Firm and those that primarily benefit the Clients.

Alpha Paradigm may derive substantial direct or indirect benefit from these Products and Services, particularly to the extent it uses Credits to pay for research or other expenses which it would otherwise be required to pay. To the extent that Alpha Paradigm receives the benefits of Products and Services, a potential conflict of interest exists between Alpha Paradigm's duty to manage or trade in the best interests of its Clients and in an effort to obtain best execution, and Alpha Paradigm's desire to receive the potential benefits of these Products and Services. In addition, Alpha Paradigm may use Products and Services in servicing some or all of its Clients, and some Products and Services may not necessarily be used by a particular Client even though its commission dollars may have been used to acquire the Products and Services. A Client, therefore, may not, in a particular instance, be the direct or indirect beneficiary of the Products or Services provided. Alpha Paradigm generally will not seek to allocate "soft dollar" benefits to Clients in proportion to the "soft dollar" credits such Clients generate.

As of the date hereof, Alpha Paradigm and its affiliates have not acquired any Products and Services through the use of Credits as described herein, but may do so in the future.

Client Referrals from Brokers. Alpha Paradigm may utilize brokers who refer prospective Clients to Alpha Paradigm. Because such referrals, if any, are likely to benefit Alpha Paradigm, but will not necessarily provide any significant benefit to Alpha Paradigm's Clients, Alpha Paradigm will have a conflict of interest when allocating brokerage business to a broker who has referred Clients to Alpha Paradigm. To prevent brokerage commissions from being used to pay Client referral fees, Alpha Paradigm will not allocate brokerage business to a referring broker unless they determine in good faith that the commissions payable to such broker are reasonable in relation to those available from non-referring brokers offering services of substantially equal value to Alpha Paradigm's Clients.

Aggregation and Allocation of Client Orders/Investments. In some cases, Alpha Paradigm may seek to buy or sell the same security or other investment on behalf of multiple Clients at the same time. In those cases, Alpha Paradigm intends to combine purchase and sale orders on behalf of such Clients and other accounts, and all such participants in the transaction will receive the average price (net of transaction costs) in the transactions. Although aggregation may operate to the disadvantage of particular Clients in a given transaction, such aggregation is intended to promote fairness over the longer term among all accounts or entities involved in the transaction, including Client and proprietary accounts.

Directed Brokerage. By agreement between Alpha Paradigm and a particular Client, such Client may direct Alpha Paradigm to effect transactions for such Client's account through specific brokers selected by such Client. In such an event, Alpha Paradigm generally will not negotiate commission rates with those brokers selected by the Client. Furthermore, if a Client directs brokerage, such Client will not be able to participate in reduced commission rates which may be available to aggregated or "bunched" orders.

REVIEW OF ACCOUNTS

Account Reviews. The Firm performs various daily, weekly, monthly, quarterly and periodic reviews of each Client's portfolio. Such reviews are conducted in the ordinary course by the members of the Firm's personnel, including members of its investment, research, risk, accounting and compliance teams, and include reviews of the absolute and relative performance and risks associated with each account, and compliance with both internal and stated risk guidelines for each account at various points in the production process of the portfolio. The Firm's CEO and COO review, at least weekly, all accounts for performance and risk management, and the Firm's Investment Committee and Risk Committee meet at least monthly to formally review the performance and risks associated with each Account.

In addition to these periodic reviews, a supplementary review of a Client's account may also be triggered by any unusual trading activity or other special circumstances.

Client Reporting. Currently, the reporting obligations applicable to the Firm with respect to a Client will generally be agreed upon with a Client prior to the Firm effecting any trades on their behalf. The agreed upon reporting terms typically will be set forth in the investment advisory agreement or other governing documents of the relevant Client Account or Fund.

CLIENT REFERRALS AND OTHER COMPENSATION

Alpha Paradigm currently does not have any third-party referral arrangements whereby Alpha Paradigm has agreed to pay such third parties fees for referring Clients to Alpha Paradigm.

CUSTODY

Alpha Paradigm currently does not have custody of the funds and securities of the Client Accounts. Clients may receive periodic statements from the custodian that holds and maintains the Client's investment assets. Alpha Paradigm urges each Client to carefully review such statements and compare such official custodial records to any account statements that Alpha Paradigm may provide such Client. Alpha Paradigm's statements may vary from custodial statements based on accounting procedures, reporting dates or valuation methodologies of certain securities or other instruments.

INVESTMENT DISCRETION

Unless otherwise agreed to by Alpha Paradigm and a particular Client, Alpha Paradigm generally exercises discretionary authority over the accounts of its Clients. Alpha Paradigm usually receives discretionary authority from the Client at the outset of an advisory relationship, by means of an investment advisory or similar agreement, which grants a power of attorney in favor of Alpha Paradigm to select the identity and amount of any investments to be bought or sold for its Clients. In all cases, however, such discretion is to be exercised in a manner consistent with the stated investment objectives for the particular Client.

VOTING CLIENT SECURITIES

Alpha Paradigm will vote proxies for securities held by its Fund Clients if requested to do so, and may agree to vote securities held by certain Client Accounts. Alpha Paradigm has adopted proxy voting policies and procedures designed to vote such proxies in the best interests of its Clients. In general, Alpha Paradigm generally expects proxies to be voted in accordance with management proposals, unless Alpha Paradigm determines, in its discretion, that such a vote is clearly not in the best interests of its Clients. Alpha Paradigm may rely on voting recommendations or guidelines published by independent proxy voting services in making voting decisions, and may also engage an independent third-party to cast any proxy votes on behalf of Clients in the event that the Firm's Chief Compliance Officer identifies a material conflict of interest in casting such votes. Clients generally may not direct specific proxy votes for the securities held in their accounts.

Clients that have granted Alpha Paradigm proxy voting authority may obtain a copy of Alpha Paradigm's complete proxy voting policies and procedures and information about how Alpha Paradigm voted any proxies on the Client's behalf by contacting John FitzGibbon at +1 (773) 288-9325.

FINANCIAL INFORMATION

Alpha Paradigm is required to provide you with certain financial information or disclosures about its financial condition. Alpha Paradigm has no financial commitment that impairs its ability to meet contractual and fiduciary commitments to Clients, and has not been the subject of a bankruptcy proceeding.

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