

## Item 1: Cover Page



### **Part 2A of Form ADV Brochure**

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This Brochure provides information about the qualifications and business practices of ACT Capital Management, LLC (“ACT” or the “Firm”), CRD #307272. If you have any questions about the contents of this Brochure, please contact the Firm’s Chief Compliance Officer, Fayth Ecker, at [fayth@actcapitalmanagement.com](mailto:fayth@actcapitalmanagement.com) or at 610-688-2833. This information 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 the Firm is also available on the SEC’s website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

The Firm may refer to itself as a registered investment adviser with the SEC pursuant to the Investment Advisers Act of 1940, as amended (the “Advisers Act”). These references do not imply a certain level of skill or training.

## **Item 2: Material Changes**

Since the Firm's initial Brochure filing in July, 2021, there have been no material changes within the Firm that require notification in this section of the Brochure.

### **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 .....	4
Item 6: Performance-Based Fees and Side-by-Side Management .....	5
Item 7: Types of Clients .....	6
Item 8: Methods of Analysis, Investment Strategies and Risk of Loss.....	6
Item 9: Disciplinary Information .....	11
Item 10: Other Financial Industry Activities and Affiliations .....	11
Item 11: Code of Ethics, Participation or Interest in Client Transactions and Personal Trading .	11
Item 12: Brokerage Practices .....	13
Item 13: Review of Accounts.....	15
Item 14: Client Referrals and Other Compensation.....	15
Item 15: Custody .....	16
Item 16: Investment Discretion .....	16
Item 17: Voting Client Securities .....	16
Item 18: Financial Information .....	16
Item 19: Requirements for State-Registered Advisers.....	16

## **Item 4: Advisory Business**

- A. ACT is an investment adviser with its principal place of business in Wayne, Pennsylvania that commenced operations in 2003. Its principal owner is Amir L. Ecker.
- B. ACT currently provides discretionary investment advisory services to private pooled investment vehicles, including ACT Capital Partners, LP. (the “Fund”), Whitethorne Fund, LLC, Ginkgo Fund, LLC, The Ecker Family Fund and 21<sup>st</sup> Century Ecker Family Fund (collectively with the Fund, the “Funds”). At present only ACT Capital Partners, LP holds funds from outside investors. The Firm also manages individually managed accounts for family members. In the future ACT may provide services to additional investment vehicles that ACT may manage. The Fund will be identified in this Brochure as the Firm’s “Client”.
- C. ACT currently provides investment advisory services to its Client focused on investments in publicly-traded equity securities (long and short), and may also trade and invest in other financial instruments to the extent deemed appropriate by the Advisor, including without limitation, preferred stocks, limited Fund interests, fixed income, warrants, equity derivatives, convertible securities, debt securities, listed and unlisted options, shares of beneficial interest, convertible preferred obligations, rights, options, puts and calls with respect to the foregoing, and, in the future, commodity interests (futures, options on futures, certain swaps subject to regulation by the CFTC), other swaps and derivatives of any kind. The investment strategy of the Fund is set forth in the offering and related documents of the Fund.
- D. ACT does not offer a wrap fee program.
- E. As of December 31, 2021, ACT had discretionary Regulatory Assets Under Management of approximately \$ 193,512,629.00.

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

The Firm is paid by the Fund, as of the beginning of each calendar month, a management fee at the rate of two percent (2.0%) per annum. Please refer to the Fund’s offering documents for a full explanation of Fund fees and expenses.

- A. Management fees are not generally negotiable by investors in the Fund. ACT may also elect to waive or reduce any management fees payable by an investor in the Fund (in limited instances). Except as set forth below, management fees are typically non-refundable once paid.

- B. In addition to paying investment management fees and performance-based compensation, the Fund may also be subject to other investment expenses such as brokerage fees, commissions and interest expense. Additional fees may include legal, accounting and consulting expenses, auditing and tax preparation expenses, news, quotation and computer equipment and services, dues and subscriptions, expenses incurred for research and investment information related purposes, for Fund investors expenses relating to the offer and sale of limited Fund interests and other expenses related to the Fund. Please also review the offering and related documents of the Fund for a description of the fees and expenses associated with an investment therein. See also Item 12 for a discussion of brokerage fees paid by the Fund.
  
- C. Neither ACT nor any of its supervised persons accepts compensation for the sale of securities or other investment products, including asset-based sales charges or service fees from the sale of mutual funds.

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

The Firm's affiliate, ACT Capital, L.L.C. (the "General Partner"), is entitled to be paid annual performance-based compensation, which is compensation that is based on a share of capital gains on or capital appreciation of the assets of the Fund. This performance-based compensation is equal to twenty percent (20%) of the excess over the annual five (5%) hurdle, subject to a high-water mark in each case.

Earned incentive payments are deducted from a Fund investor's assets at the end of each year in which such compensation was achieved and upon each withdrawal of capital. Under certain limited circumstances, performance compensation may be negotiable.

ACT and its affiliate's right to receive performance-based compensation may create an incentive for ACT to cause the Fund to make investments that are riskier or more speculative than would be the case if ACT or its affiliate did not receive such compensation. Notwithstanding the foregoing, ACT always acts in the best interest of all of its Clients.

ACT has adopted and implemented policies and procedures intended to address conflicts of interest relating to the management of multiple accounts, including accounts with multiple fee arrangements, and the allocation of investment opportunities. The Firm reviews investment decisions for the purpose of ensuring that all accounts with substantially similar investment objectives are treated on a fair and consistent basis. In addition, ACT's procedures relating to the allocation of investment opportunities require that all clients are treated fairly and equitably. Similarly-managed accounts will participate in investment opportunities based on factors specific to the accounts' relative sizes, liquidity, investment mandate, and the Firm will document all allocation decisions, consistent with internal policies.

## **Item 7: Types of Clients**

As described in Item 4, the Firm's Clients currently consist of private Funds. For the Fund, Investors must contribute a minimum of \$250,000 (which may be waived or reduced at the General Partner's discretion) on a case by case basis.

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

The Firm seeks to achieve attractive rates of return while working to minimize risk of loss. In order to pursue this objective, ACT will invest primarily in equities, both long and short, focusing on small and mid-capitalization companies. The Firm will take an opportunistic/relative value, research-driven approach, focusing on companies exhibiting a distinctive edge over their competition. The majority of investments are in the biopharma, medical technology or diagnostic space.

ACT manages concentrated portfolios of high conviction ideas. Independent fundamental analysis drives the investment process and is supplemented by select technical analysis that provides critical data analytics to support the process. Covered option writing is a standard feature and is used to build or reduce exposure, as well as a hedge against upcoming news or events.

A. The following material risks are related to the Firm's investment strategies:

Limited Diversification. Since the Fund will be concentrated in a few key industries, the risk of loss is greater than if the portfolio were invested in a more diversified manner among various sectors. In addition, although the diversification of the Fund's investments in a variety of securities is intended to reduce the Fund's exposure to adverse events associated with specific issuers, the number of investments by the Fund will be limited. As a consequence, the Fund's returns as a whole may be adversely affected by the unfavorable performance of even a single investment.

Business Dependent Upon Key Individual. The Limited Partners shall have no authority to make decisions or to exercise business discretion on behalf of the Fund. The authority for all such decisions is delegated to the General Partner. The success of the Fund is expected to be significantly dependent upon the expertise of Amir L. Ecker, a Managing Member of the General Partner and the portfolio manager for the Fund. If the General Partner were to lose the services of Mr. Ecker the effects on the Fund would be material and adverse.

Limited Liquidity; In-Kind Distributions. An investment in the Fund provides limited liquidity since the Interests are not freely transferable and a Limited Partner generally may withdraw its capital only monthly. In addition, the General Partner also may limit or suspend withdrawal rights for any and all Partners. The Fund expects to distribute cash to a Limited Partner upon a withdrawal from the Limited Partner's

capital account. However, there can be no assurance that the Fund will have sufficient cash to satisfy withdrawal requests, or that it will be able to liquidate investments at favorable prices at the time of such withdrawal request. Under the foregoing circumstances, and under other circumstances deemed appropriate by the General Partner, a Limited Partner may receive in-kind distributions from the Fund's portfolio. Such investments may not be readily marketable. As a result, an investment in the Interests is suitable only for sophisticated investors that do not require immediate liquidity for their investment and are able to bear the financial risks of this investment for an indefinite period of time.

Investment and Trading Risks. All investments, including an investment in the Fund, risk the loss of capital. A Limited Partner should be aware that it may lose all or part of its investment in the Fund. The Fund's investment program will utilize certain investment techniques such as margin transactions, short sales and leverage which can, in certain circumstances, increase the adverse impact to which the Fund may be subject.

Incentive Allocation. The Incentive Allocation to the General Partner may create an incentive for the General Partner to cause the Fund to make investments that are riskier or more speculative than would be the case if the Incentive Allocation were not made. In addition, since the Incentive Allocation is calculated on a basis that includes unrealized appreciation of the Fund's assets, it may be greater than if such allocation were based solely on realized gains. The Incentive Allocation (as well as the Management Fee) was set by the General Partner without negotiations with any third party.

Illiquid Portfolio Securities. To the extent that the Fund invests in private securities or restricted securities (including investments held in Special Situation Sub-Accounts), the valuation of such securities will be determined by the General Partner, whose determination will be final and conclusive as to all parties. The sale of restricted and illiquid securities often requires more time and results in additional expenses than does the sale of securities eligible for trading on national securities exchanges or in the over-the-counter markets.

Small and Medium Capitalization Companies. The Fund may invest a portion of its assets in the securities of companies with small to medium-sized market capitalizations. While such securities often provide significant potential for appreciation, the securities of certain companies, particularly smaller-capitalization companies, involve higher risks in some respects than do investments in securities of larger companies. In addition, due to thin trading in the securities of some small-capitalization companies, an investment in those companies may be illiquid.

Derivative Instruments. The Fund may invest in derivative instruments. The prices of many derivative instruments, including many options and swaps, are highly volatile. Price movements of options contracts and payments pursuant to swap agreements are influenced by, among other things, interest rates, changing supply and demand relationships, trade, fiscal, monetary and exchange control programs and policies of governments, and national and international political and economic events and policies. The value of options and swap agreements also depends upon the price of the securities or currencies underlying them. Accordingly, options on highly volatile

securities, such as the stock of many companies in technology-related businesses, may be more expensive than options on other securities.

Swaps and certain options and other custom instruments are subject to the risk of non-performance by the counterparty, including risks relating to the financial soundness and creditworthiness of the counterparty.

Liquidity of Futures Contracts. The Fund may utilize futures as part of its investment program, subject to certain volume limitations. Futures positions may be illiquid because certain commodity exchanges limit fluctuations in certain futures contract prices during a single day by regulations referred to as “daily price fluctuation limits” or “daily limits.” Under such daily limits, during a single trading day, no trades may be executed at prices beyond the daily limits. Once the price of a particular futures contract has increased or decreased by an amount equal to the daily limit, positions in that contract can neither be taken nor liquidated unless traders are willing to effect trades at or within the limit. This could prevent the Fund from promptly liquidating unfavorable positions and subject the Fund to substantial losses.

Currency. A portion of the Fund’s assets may be invested, directly and indirectly, in securities denominated in currencies other than the U.S. dollar or whose prices are determined with reference to non-U.S. currencies. The General Partner may determine not to hedge all or any portion of the foreign currency exposure of the Fund. To the extent unhedged, the value of the assets of the Fund will fluctuate with U.S. dollar exchange rates as well as the price changes of the investments in the various local markets and currencies.

Leverage. The Fund may borrow funds from brokerage firms and banks in order to be able to increase the amount of capital available for marketable securities investments. In addition, the Fund may “leverage” its investment return with options, swaps, forwards and other derivative instruments. While leverage presents opportunities for increasing the Fund’s total return, it has the effect of potentially increasing losses as well. Accordingly, any event which adversely affects the value of an investment by the Fund would be magnified to the extent that leverage is employed by the Fund. The cumulative effect of the use of leverage by the Fund in a market that moves adversely to the Fund’s investments could result in a loss to the Fund which would be greater than if leverage were not employed by the Fund.

In addition, to the extent the Fund borrows funds, the level of interest rates generally, and the rates at which the Fund can borrow, in particular, will affect the operating results of the Fund.

Non-U.S. Investments. The Fund may invest in non-U.S. securities or U.S. securities denominated in non-U.S. currencies and/or traded outside of the United States. Such investments require consideration of certain risks typically not associated with investing in U.S. securities or property. Such risks include, among other things, trade balances and imbalances and related economic policies, unfavorable currency exchange rate fluctuations, imposition of exchange control regulation by the United States or foreign governments, United States and foreign withholding taxes, limitations on the

removal of funds or other assets, policies of governments with respect to possible nationalization of their industries and political difficulties, including expropriation of assets, confiscatory taxation and economic or political instability.

There may be less publicly available information about certain foreign companies than would be the case for comparable companies in the United States, and certain foreign companies may not be subject to accounting, auditing and financial reporting standards and requirements comparable to or as uniform as those of United States companies.

Hedging Transactions. The Fund may utilize financial instruments such as forward contracts, options and interest rate swaps, caps and floors to hedge against fluctuations in the relative values of its portfolio positions as a result of changes in currency exchange rates, certain changes in the equity markets and changes in market interest rates. Hedging against a decline in the value of portfolio positions does not eliminate fluctuations in the values of portfolio positions or prevent losses if the values of such positions decline, but establishes other positions designed to gain from those same developments, thus moderating the decline in the portfolio positions' value.

The General Partner is not obligated to establish hedges for portfolio positions and may not do so. To the extent that hedging transactions are effected, their success is dependent on the General Partner's ability to correctly predict movements in the direction of currency and interest rates and the equity markets or sectors thereof.

Short Selling. Short selling involves selling securities which may or may not be owned and borrowing the same securities for delivery to the purchaser, with an obligation to replace the borrowed securities at a later date. Short selling allows the investor to profit from declines in market prices to the extent such declines exceed the transaction costs and the costs of borrowing the securities.

Due to the inability to borrow the stock of certain companies engaged in technology-related businesses, it may not be possible to short the stock of such companies from time to time.

A short sale creates the risk of an unlimited loss, in that the price of the underlying security could theoretically increase without limit, thus increasing the cost of buying those securities to cover the short position. This risk is enhanced if the security being sold short is highly volatile and there is a significant outstanding short interest or high trading volume, which can result in the holder of a short position being forced to purchase the securities necessary to cover the short position.

Tax-Exempt Investors. Certain prospective Limited Partners may be subject to Federal and state laws, rules and regulations which may regulate their participation in the Fund, or their engaging directly, or indirectly through an investment in the Fund, in investment strategies of the types which the Fund may utilize from time to time (e.g., short sales of securities and the use of leverage and limited diversification). Each type of exempt organization may be subject to different laws, rules and regulations,

and prospective Limited Partners should consult with their own advisers as to the advisability and tax consequences of an investment in the Fund.

Absence of Regulatory Oversight. While the Fund may be considered similar to an investment company, it is not registered as such under the Investment Company Act of 1940, as amended (the “Company Act”) in reliance upon an exemption available to privately offered investment companies and, accordingly, many of the provisions of such Act (which, among other things, require securities held in custody to at all times be individually segregated from the securities of any other person and marked to clearly identify such securities as the property of such investment company, and regulate the relationship between the adviser and the investment company) are not applicable.

Conflicts of Interest. The General Partner will be subject to a variety of conflicts of interests in making investments on behalf of the Fund.

Counterparty Risk. Some of the markets in which the Fund may effect its transactions are “over-the-counter” or “interdealer” markets. The participants in such markets are typically not subject to credit evaluation and regulatory oversight as are members of “exchange-based” markets. This exposes the Fund to the risk that a counterparty will not settle a transaction in accordance with or because of a credit or liquidity problem, thus causing the Fund to suffer a loss. In addition, in the case of a default, the Fund could, directly or indirectly, become subject to adverse market movements while replacement transactions are executed.

Forward Trading. The Fund may invest in forward contracts and options thereon, which, unlike futures contracts, are not traded on exchanges and are not standardized; rather, banks and dealers act as principals in these markets, negotiating each transaction on an individual basis. Forward and “cash” trading is substantially unregulated; there is no limitation on daily price movements and speculative position limits are not applicable. The principals who deal in the forward markets are not required to continue to make markets in the currencies or commodities they trade and these markets can experience periods of illiquidity, sometimes of significant duration.

Cybersecurity Risks. The Firm, Fund and third-party service providers are subject to risks associated with a breach in cybersecurity. Cybersecurity is a generic term used to describe the technology, processes and practices designed to protect networks, systems, computers, programs and data from both intentional cyber-attacks and hacking by other computer users as well as unintentional damage or interruption that, in either case, can result in damage or interruption from computer viruses, network failures, computer and telecommunications failures, infiltration by unauthorized persons and security breaches and usage errors by their respective professionals.

A cybersecurity breach could expose the Firm and Fund to substantial costs (including, without limitation, those associated with forensic analysis of the origin and scope of the breach, increased and upgraded cybersecurity, identity theft, unauthorized access to and use of proprietary information, litigation, the dissemination of confidential

and proprietary information and reputational damage), civil liability as well as regulatory inquiry and/or action. While the Firm has established a Business Continuity Plan and risk management strategies, systems, policies and procedures to seek to prevent cybersecurity breaches, there are inherent limitations in such plans, strategies, systems, policies and procedures including the possibility that certain risks have not been identified. In addition, since the Firm does not directly control the cybersecurity systems of third-party service providers, there can be no assurance that the cybersecurity practices of these providers will protect the Firm or Fund from any potential breaches.

## **Item 9: Disciplinary Information**

ACT has no legal or disciplinary events to disclose.

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

- A. Neither ACT nor any of ACT's management persons are registered, or have an application pending to register, as a broker-dealer or a registered representative of a broker-dealer.
- B. Neither ACT nor any of its management persons is registered as a futures commission merchant, commodity pool operator, commodity trading advisor or an associated person of any of the foregoing.
- C. The General Partner, a related person of ACT, serves as the Fund's General Partner. This relationship creates an incentive for ACT to make investment allocations that are riskier or more speculative than would be the case if the General Partner did not receive incentive compensation from the Fund for serving as the General Partner to the Fund.

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

ACT has adopted a Code of Ethics (the "Code") that obligates the Firm and its related persons to put the interests of the Fund before their own interests and to act honestly and fairly in all respects in their dealings with the Fund. All of the Firm's personnel are also required to comply with applicable federal securities laws. For additional information about the Code, contact Fayth Ecker at 610-688-2833 or [fayth@actcapitalmanagement.com](mailto:fayth@actcapitalmanagement.com). See below for further provisions of the Code as they relate to the pre-clearing and reporting of securities transactions by related persons.

The Firm in the course of its investment management and other activities, may come into possession of confidential or material nonpublic information about issuers of securities, including issuers in which ACT or its related persons have invested or seek to invest on behalf of the Fund. The Firm is prohibited from improperly disclosing or using such information for its own benefit or for the benefit of any other person, including the Fund.

ACT maintains written policies and procedures reasonably designed to prohibit the communication of such information to persons who do not have a legitimate need to know such information and to otherwise ensure that the Firm is acting in compliance with applicable law. In certain circumstances, the Firm may possess certain confidential or material nonpublic information that, if disclosed, might be material to a decision to buy, sell or hold a security. ACT and its personnel are prohibited from communicating such information with respect to the Fund or using such information for the Fund's benefit.

To the extent that the Firm or its related persons invest in the same securities that the Firm or a related person recommends to the Fund, such practices present a conflict where, ACT or its related person is in a position to trade in a manner that could adversely affect the Fund. In addition to affecting the Firm's or its related person's objectivity, these practices by the Firm or its related persons may also harm the Fund by adversely affecting the price at which the Fund's trades are executed. ACT has adopted the following procedures in an effort to minimize such conflicts: the Firm requires its related persons to pre-clear certain transactions in their personal accounts with the Chief Compliance Officer, who may deny permission to execute the transaction if such transaction will have any adverse economic impact on the Fund. In addition, the Code prohibits ACT or its related persons from executing personal securities transactions of any kind in any securities on a restricted securities list maintained by the Chief Compliance Officer. All the Firm's related persons are also required to provide a monthly certification of transactions in which they engaged. Trading in employee accounts will be reviewed by the Chief Compliance Officer or his delegate and compared with transactions for the Fund and reviewed against the restricted securities list.

To the extent that ACT or a related person or any of their employee's own securities that the Firm also recommends to the Fund, such Fund's proxies will be voted according to predetermined guidelines rather than subject to the Firm's (or its related person's) discretion. Please refer to Item 17 for further information regarding the Firm's proxy voting policy and procedures.

To the extent ACT buys or sells securities for the Fund, at or about the same time that the Firm or a related person buys or sells the same securities for its own account the Firm and the related person, if applicable, will do so in accordance with the procedures described above in order to minimize the conflicts stemming from situations where the contemporaneous trading would result in an economic benefit for ACT or its related person to the detriment of the Fund.

## **Item 12: Brokerage Practices**

ACT considers several factors in selecting a broker-dealer to execute transactions (or series of transactions) and determining the reasonableness of the broker-dealer's compensation. Such factors include among others, the brokers' ability to affect such transactions, their facilities, reliability and financial responsibility, and the provision or payment of the costs of brokerage or research products or services, including access to meetings with management of companies and investment ideas, which the Firm considers to be of benefit to its clients and the Firm. In selecting a broker-dealer to execute transactions (or series of transactions) and determining the reasonableness of the broker-dealer's compensation, ACT need not solicit competitive bids and does not have an obligation to seek the lowest available commission cost. It is not the Firm's practice to negotiate "execution only" commission rates, thus the Fund may be deemed to be paying for research, brokerage or other services provided by a broker-dealer which are included in the commission rate.

The Firm receives research or other products or services other than trade execution services from a broker-dealer and/or a third party in connection with securities transactions for its clients. This is known as a "soft dollar" relationship. The Firm limits the use of "soft dollars" to obtain research and brokerage services to services that constitute research and brokerage within the meaning of Section 28(e) of the Securities Exchange Act of 1934 ("Section 28(e)"). Research services within Section 28(e) may include, but are not limited to, research reports (including market research); certain financial newsletters and trade journals; software providing analysis of securities portfolios; corporate governance research and rating services; attendance at certain seminars and conferences; discussions with research analysts; meetings with corporate executives; consultants' advice on portfolio strategy; data services (including services providing market data, company financial data and economic data); advice from broker-dealers on order execution; and certain proxy services. Brokerage services within Section 28(e) may include, but are not limited to, services related to the execution, clearing and settlement of securities transactions and functions incidental thereto (i.e., connectivity services between an adviser and a broker-dealer and other relevant parties such as custodians); trading software operated by a broker-dealer to route orders; software that provides trade analytics and trading strategies; software used to transmit orders; clearance and settlement in connection with a trade; electronic communication of allocation instructions; routing settlement instructions; post trade matching of trade information; and services required by the SEC or a self-regulatory organization such as comparison services, electronic confirms or trade affirmations.

The use of brokerage commissions (or markups or markdowns) from transactions for the Fund ("Commissions") to obtain research and brokerage products and services raises potential conflicts of interest. For example, the Firm will not have to pay for the products and services itself. This could create an incentive for ACT to select or recommend a broker-dealer based on the Firm's interest in receiving those products and services.

Nonetheless, ACT will seek to execute client transactions with best execution under the circumstances.

The Firm may cause the Fund to pay Commissions to certain broker-dealers that are higher than those charged by other broker-dealers in return for soft dollar benefits (known as paying up), resulting in higher transaction costs for the Fund. Research and brokerage services obtained using Commissions may be used by the Firm in its other investment activities.

During the Firm's last fiscal year, as a result of Commissions, ACT acquired research reports (including market research); certain financial newsletters and trade journals; attendance at certain seminars and conferences; discussions with research analysts; meetings with corporate executives; data services (including services providing market data, company financial data and economic data); advice from broker-dealers on order execution; services related to the execution, clearing and settlement of securities transactions and functions incidental thereto; trading software operated by a broker-dealer to route orders; software that provides trade analytics and trading strategies; software used to transmit orders; clearance and settlement in connection with a trade; electronic communication of allocation instructions; and routing settlement instructions.

In determining whether to direct Commissions to particular broker-dealers, select employees of the Firm generally meet quarterly to determine in good faith whether, with respect to any research or other products or services received from a broker-dealer, the Commissions used to obtain those products and services were reasonable in relation to the value of the brokerage, research or other products or services provided by the broker-dealer.

From time to time ACT may participate in capital introduction programs arranged by broker-dealers, including firms that serve as prime brokers. The Firm may place portfolio transactions with firms who have made such recommendations or provided capital introduction opportunities, if the Firm determines that it is otherwise consistent with seeking best execution. In no event will ACT select a broker-dealer solely as a means of remuneration for recommending the Firm or any other product managed by ACT (or an affiliate) or affording the Firm with the opportunity to participate in capital introduction programs. This practice may create a conflict of interest because the Firm could have an incentive to select a broker-dealer based on its interests in receiving such recommendations or capital introduction opportunities. Nonetheless, ACT will seek to execute client transactions with best execution under the circumstances.

ACT's aggregation policy requires that all clients be treated fairly and equitably over time and that unless otherwise noted, each participating account receives pro rata the average price while transaction costs are shared pro rata based on participation. Further, ACT will not aggregate transactions unless to do so is consistent with its duty to seek best execution for the Fund (as well as the allocation methods) are specified before entering an aggregated order.

It is intended that, in the future, orders on behalf of the Funds which will be aggregated, will be deposited with one or more banks or broker-dealers, and neither the Funds' cash nor their securities will be held collectively any longer than is necessary to settle the purchase or sale in question on a delivery versus payment basis; cash or securities held collectively for the Funds will be delivered out to the custodian or broker-dealer as soon as practicable following the settlement. Our books and records will reflect securities held by, or bought or sold for, Funds that participate in an aggregation. No additional compensation will be due because of aggregation.

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

- A. The Firm regularly reviews and monitors the Funds' investment portfolios to determine whether positions should be maintained in view of current market conditions. The Firm's review may consider specific securities held, adherence to investment guidelines and each Fund's performance. Investors receive reports regarding their portfolios as described in the Fund's offering documents.
- B. ACT may conduct reviews other than on a periodic basis generally depending on the facts and circumstances at that time.
- C. Fund Investors receive reports regarding their accounts periodically. Fund investors receive audited financial statements from the Fund annually, within 120 days after the Fund's fiscal year-end.

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

- A. ACT may receive certain research or other services from broker-dealers which can be considered an economic benefit. Receiving the aforementioned research and other services may create an incentive for the Firm to select or recommend broker-dealers based on the Firm's interest in receiving the research or other products or services and may result in the selection of a broker-dealer on the basis of considerations that are not limited to the lowest commission rates and may result in higher transaction costs than would otherwise be obtainable by ACT on behalf of the Fund.
- B. While not presently in place, the Firm may appoint one or more brokers or placement agents (each, a "Placement Agent") to assist in the placement of interests in the Fund ("Interest"). Placement fees payable to Placement Agents in respect of Interests sold by it will be paid out of the fees and allocations payable to ACT, and will not increase the fees and allocations payable by investors. Such placement fees will vary depending on the arrangements between the Fund and the Placement Agent.

## **Item 15: Custody**

The General Partner, an affiliate of ACT, serves as the General Partner of the Fund and as such is deemed to have custody of the Fund's funds and securities. Investors in the Fund will receive audited financial statements prepared in accordance with US generally accepted accounting principles within 120 days of the Fund's fiscal year-end.

## **Item 16: Investment Discretion**

Clients have no authority to make decisions or participate in the management of or exercise business discretion with respect to their portfolios. The authority to make all investment decisions for the Fund is entrusted to the complete discretion of ACT. Accordingly, no Investor should invest in the Fund unless he or she is willing to entrust all aspects of the management thereof to ACT.

## **Item 17: Voting Client Securities**

Proxies, when voted, will always be voted in the best interest of the Fund. ACT shall consider all relevant factors and without undue influence from individuals or groups who may have an economic interest in the outcome of a proxy vote.

If a material conflict of interest between the Firm and the Fund exists, ACT will determine whether voting in accordance with the guidelines set forth in its proxy voting policies and procedures is in the best interests of the Fund or will take some other appropriate action.

Fund investors may obtain a copy of the Firm's proxy voting policies and procedures and information about how ACT voted proxies by contacting Fayth Ecker (Chief Compliance Officer) by email at [fayth@actcapitalmanagement.com](mailto:fayth@actcapitalmanagement.com) or by telephone at 610-688-2833.

## **Item 18: Financial Information**

Not applicable.

## **Item 19: Requirements for State-Registered Advisers**

Not applicable.