MOODY ALDRICH PARTNERS

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This brochure provides information about the qualification and business practices of Moody Aldrich Partners, LLC ("MAP"), an SEC registered investment adviser. Should you have any questions or comments concerning any of the information contained in this brochure, please call us at (781) 639-2750 or write to:

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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 Moody Aldrich Partners, LLC is available on the SEC's website at www.adviserinfo.sec.gov. Registration with the SEC does not imply a certain level of skill or training.

March 19, 2021

# Item 2: Material Changes

## Material Changes since the Last Update

This Firm Brochure, dated March 19, 2021, provides you with a summary of Moody Aldrich Partners, LLC ("MAP") advisory services and fees, professionals, certain business practices and policies, as well as actual or potential conflicts of interest, among other things. This Item is used to provide our clients with a summary of new and/or updated information; we will inform of the revision(s) based on the nature of the information as follows.

1. Annual Update: We are required to update certain information at least annually, within 90 days of our firm's fiscal year end (FYE) of December 31, 2020. We will provide you with either a summary of the revised information with an offer to deliver the full revised Brochure within 120 days of our FYE or we will provide you with our revised Brochure that will include a summary of those changes in this Item.

2. Material Changes: Should a material change in our operations occur, depending on its nature we will promptly communicate this change to clients (and it will be summarized in this Item). "Material changes" requiring prompt notification will include changes of ownership or control; location; disciplinary proceedings; significant changes to our advisory services or advisory affiliates – any information that is critical to a client's full understanding of who we are, how to find us, and how we do business.

There have been no material changes to the Firm's business since our last annual update on March 26, 2020.

## Full Brochure Availability

This brochure for MAP is available by calling (781) 639-2750 or writing to:

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# Item 4: Advisory Business

## Firm Description

Moody Aldrich Partners, LLC (MAP) is a privately held multi-boutique investment firm with businesses specializing in investment strategies for institutions and individual investors. Formed in 1988, MAP is an SEC registered investment advisor that has provided investment strategies to sophisticated clients for 30 years. The firm offers US and international equity strategies through investment divisions managed by autonomous teams of experienced, successful investors.

Over time, the firm has evolved from a traditional asset manager to a multi-boutique company with shared non-investment business services. Identifying and cultivating investment talent and developing strategic partnerships and business ventures is a hallmark of the firm's heritage.

Owners of MAP provide a permanent source of capital that has been used for working capital and seed capital to numerous investment strategies. The structure of the firm's entrepreneurial activities has taken various forms, such as lift-outs, acquisitions, joint ventures and seeding/acceleration deals. While each opportunity has its own unique attributes, every endeavor pursued creates shared incentives and alignment of interests behind a common vision of building a premier investment organization. The firm's entrepreneurial culture emphasizes teamwork and flexibility and a strong commitment to the highest ethical standards.

Today, MAP has interests in the following affiliated boutiques:

- **Eastern Shore Capital Management ("ESCM"):** Established in 2012 as a division of MAP, ESCM is an investment boutique specializing in managing long-only US small and smid-cap strategies on behalf of institutions and individual investors.

- **Global Value Advisors ("GVA"):** Established in 2018 as a division of MAP, GVA is an investment boutique specializing in managing long-only global and international value strategies on behalf of institutions and individual investors.

- **Harvest Funds Management, LLC ("HFM")** is a subsidiary of MAP and serves as the General Partner to private funds which have made strategic investments in independent alternative investment boutiques.

- **kWantix LLC** ("kWantix") is a subsidiary of MAP that specializes in power trading.

## Principal Owners

The firm is owned by active members, William Moody, Eli Kent, Amanda Velluto and passive member, Eyk Van Otterloo. The Eastern Shore division is 73.6% owned by active partners including, Robert Barringer, James O'Brien, Sarah Westwood, Amanda Velluto, William Moody and Eli Kent. The remaining 26.4% is held by Eyk Van Otterloo, a passive owner of MAP. The Global Value Advisors division is 70.8% owned by active partners, including Philippe Rolland, Matthew Marotta, Todd Bassion, William Moody, Eli Kent, and Amanda Velluto. The remaining 29.2% is held by Eyk Van Otterloo, a passive owner of MAP.

## Types of Advisory Services

MAP, primarily through its ESCM and GVA divisions, provides discretionary and non-discretionary investment advisory services to high net worth individuals and institutional investors through separately managed accounts.

MAP, through its ESCM division, is also the investment adviser to a collective investment trust ("CIT"), the Eastern Shore U.S. Small Cap CIT (the "ESCM CIT"). The ESCM CIT is invested according to the Eastern Shore Capital Management Small Cap Equity strategy offered by MAP.

In addition, MAP, through its ESCM division, offers investment advisory services as a sub-adviser to a mutual fund.

Moody Aldrich Partners, LLC, a Delaware limited liability company (the "General Partner"), through its Global Value Advisors division, is the general partner of the Global Value Advisors Fund LP ("Partnership"), a Delaware series limited partnership, and is responsible for its overall management. The General Partner is also the General Partner to the Partnership and is responsible for the management of each Series' portfolio. For more details see the *Fees and Compensation*, *Methods of Analysis, Investment Strategies and Risk of Loss* and *Other Financial Industry Activities and Affiliations* sections.

MAP, through its ESCM and GVA divisions, also provides non-discretionary investment advisory service in the form of model portfolios. The model portfolios represent ESCM's and GVA's recommendations for portfolio investments. ESCM and GVA only provide the recommended model and do not manage them directly. In these model arrangements, MAP does not enter into a direct relationship with the clients and does not provide administrative or account-specific performance reporting services to those clients.

Please see the *Type of Clients* section of this brochure for more information on the types of clients serviced. MAP provides investment advisory services primarily through the purchase and sale of equity securities.

## Tailored Relationships

ESCM and GVA will, at the firm's discretion, accommodate client directed restrictions that could cause the client's portfolio to deviate from a model portfolio. Such portfolio restrictions may include:

- specific stock restrictions;
- tax generation restrictions (such as no Real Estate Investment Trusts);
- sector restrictions; or,
- country specific restrictions.

All restrictions must be submitted in writing and are subject to approval by ESCM and/or GVA.

Institutional clients may additionally provide more comprehensive investment policy statements and portfolio structure guidelines. These guidelines may include cash and position minimum or maximum weights, portfolio concentration, reporting or meeting requirements and proxy voting instructions.

## Client Assets

As of December 31, 2020, the firm managed or advised $975.1 million for clients, with $821.8 million in discretionary assets under management, $4.5 million in non-discretionary assets under management, and $148.8 million in advisory-only Unified Managed Account ("UMA") business. Advisory-only UMA assets are those for which we provide a model portfolio to the program sponsor.

# Item 5: Fees and Compensation

MAP receives compensation for its investment advisory services by charging a fee on the percentage of assets under management.

## Institutional Accounts

### Fee Calculation & Billing

Unless by prior arrangement, investment advisory fees for institutional clients are billed quarterly in arrears calculated based on the closing market value of the account on the last business day of the calendar quarter. Fees are prorated for the period if investment advisory services commence other than on the first day of such quarter or terminate other than on the last day of such quarter. If such services terminate other than on the last day of a quarter, the computation of such fees shall be based on the market value of the assets in the account at the close of business on the date

of termination. Investment advisory services may be terminated by MAP or the client upon at least 30 days' written notice in advance of such termination date.

Unless by prior special arrangement, MAP has the authority to calculate and deduct investment advisory fees directly from client accounts held at a qualified custodian. MAP has policies and procedures to prevent the deduction of fees to which MAP is not entitled under the terms of its Investment Management Agreements.

## Fee Schedules

### *Eastern Shore Capital Management Small Cap Equity Accounts*

- First $25 Million 0.90% of assets per annum
- Next $25 Million 0.80% of assets per annum
- All Additional Assets 0.70% of assets per annum

### *Eastern Shore U.S. Small Cap CIT Accounts*

- Class A* 0.65% of assets per annum
- Class B 0.80% of assets per annum

**Class A units are available for any Eligible Plan that makes an initial contribution to the Eastern Shore U.S. Small Cap CIT before such Fund reaches $50 million in aggregate net assets. To the extent an Eligible Plan's initial investment is into Eastern Shore U.S. Small Cap CIT's Class A Units, all subsequent investments by such Eligible Plan into the same Fund shall also be for Class A Units.*

### *Eastern Shore Capital Management Smid Cap Equity Accounts*

- First $25 Million 0.90% of assets per annum
- Next $25 Million 0.80% of assets per annum
- All Additional Assets 0.70% of assets per annum

### *Global Value Advisors Global Equity Accounts*

- First $25 Million 0.90% of assets per annum
- Next $25 Million 0.80% of assets per annum
- All Additional Assets 0.70% of assets per annum

### *Global Value Advisors International Small Cap Equity Accounts*

- First $25 Million 1.00% of assets per annum
- All Additional Assets 0.90% of assets per annum

### *Global Value Advisors Emerging Markets Accounts*

- First $25 Million 1.00% of assets per annum
- All Additional Assets 0.90% of assets per annum

Fees are negotiable for certain client types and early investors in the strategies, and for accounts and distribution channels where client service and portfolio administration requirements are reduced. MAP reserves the right to negotiate fees within these areas.

## Other Institutional Account Fees

If directed by the client, the cash portion of a client's portfolio is invested in a money market mutual fund or other cash equivalent. As such, fees paid to MAP are separate and distinct from the fees and expenses charged by mutual funds and/or ETFs to their shareholders. These fees and expenses are described in each fund's prospectus. These fees will generally include a management fee, other fund expenses, and possible distribution fee. If the fund also imposes sales charges, a client may pay an initial or deferred sales charge. A client could invest in a mutual fund directly. Accordingly, the client should review both the fees charged by the funds and the firm to fully understand the total amount of fees to be paid.

In connection with MAP's advisory services, clients may incur, and are responsible for, the fees and expenses charged by their custodians and imposed by broker-dealers. Such fees may include, but are not limited to, custodial fees, transaction costs, fees for duplicate statements and transaction confirmations, brokerage commissions, mutual fund expenses and fees for electronic data feeds and reports. See the *Brokerage Practices* section for more information.

## Global Value Advisors Fund LP (GVA Fund)

For investors in the GVA Fund who are advisory clients of MAP, MAP does not charge any additional management fees for managing the investor's interest in the GVA Fund other than the firm's normal client advisory fees paid by the client in the ordinary course of the advisory relationship.

For Fund investors who are not advisory clients, the Management Fee is computed as of the beginning of the then-current month prior to the payment or accrual of any Management Fee or Performance Allocation (if applicable). The Management Fee is payable in advance in respect of the capital account of each such Series F Limited Partner, each Series A Limited Partner and Series B Limited Partner, as follows:

*Global Value Advisors Fund LP – Emerging Markets Equity Series*

*Global Value Advisors Fund LP – Global Equity Series*

*Global Value Advisors Fund LP – International Small Cap Series*

- Each Series F Limited Partner will be charged a monthly Management Fee equal to 0.05% (approximately 0.60% annualized) of such Series F Limited Partner's capital account balance as of the beginning of a calendar month.

- Each Series B Limited Partner will be charged a monthly Management Fee equal to 0.0167% (approximately 0.20% annualized) of such Series B Limited Partner's capital account balance as of the beginning of a calendar month.

*Global Value Advisors Fund LP – Emerging Markets Equity Series*

*Global Value Advisors Fund LP – International Small Cap Series*

- Each Series A Limited Partner will be charged a monthly Management Fee equal to the following amounts: (i) 0.0833% (approximately 1.00% annualized) of such Series A Limited Partner's capital account balance as of the beginning of a calendar month attributable up to the first $25 million of capital contributions (and/or additional capital contributions) made by Series A Limited Partner, and (ii) 0.075% (approximately 0.90% annualized) of such Series A Limited Partner's capital account balance as of the beginning of a calendar month attributable up to all capital contributions (and/or additional capital contributions) made by Series A Limited Partner in excess of $25 million.

*Global Value Advisors Fund LP – Global Equity Series*

- Each Series A Limited Partner will be charged a monthly Management Fee equal to the following amounts: (i) 0.075% (approximately 0.90% annualized) of such Series A Limited Partner's Capital Account balance as of the beginning of a calendar month attributable up to the first $25 million of Capital Contributions (and/or Additional Capital Contributions) made by Series A Limited Partner, (ii) 0.0667% (approximately 0.80% annualized) of such Series A Limited Partner's Capital Account balance as of the beginning of a calendar month attributable up to the second $25 million of Capital Contributions (and/or Additional Capital Contributions) made by Series A Limited Partner, and (iii) 0.0583% (approximately 0.70% annualized) of such Series A Limited Partner's Capital Account balance as of the beginning of a calendar month attributable up to all Capital Contributions (and/or Additional Capital Contributions) made by Series A Limited Partner in excess of $50 million.

# Item 6: Performance-Based Fees

MAP's ESCM division does not currently charge performance-based fees (fees on a share of capital gains or on capital appreciation of the assets of a client). For ESCM, performance- based fee arrangements would only be entered into with qualified clients, subject to individual negotiation. Any such arrangements would comply with Section 205 of the Investment Advisers Act of 1940, as amended, and the rules thereunder, and all other applicable laws and regulations.

MAP's GVA division offers "qualified clients" as that term is defined in Rule 205-3 under the Investment Advisers Act of 1940, as amended (the "Advisers Act"), a performance based fee structure that has an

annual management fee of twenty basis points (0.20%) and twenty percent (20%) of such investor's aggregate Net Increase, if any, for such valuation period, in excess of the strategy's stated benchmark.

In addition, certain MAP client accounts may have higher asset-based fees than other accounts. When the Adviser and its investment personnel manage more than one client account a potential exists for one client account to be favored over another client account. MAP has adopted and implemented policies and procedures intended to address conflicts of interest relating to the management of multiple accounts and the allocation of investment opportunities. MAP reviews investment decisions for the purpose of ensuring that all accounts with substantially similar investment objectives are treated equitably. The performance of similarly managed accounts is also regularly compared to determine whether there are any unexplained significant discrepancies. In addition, MAP's procedures relating to the allocation of investment opportunities require that similarly managed accounts participate in investment opportunities pro rata based on asset size and require that, to the extent orders are aggregated, the client orders are price-averaged. Finally, MAP's procedures also require the objective allocation for limited opportunities to ensure fair and equitable allocation among accounts. These areas are monitored by MAP's Chief Compliance Officer and as part of its Annual Review.

# Item 7: Types of Clients

## Description

MAP provides discretionary and non-discretionary investment advisory services to high net worth individuals, foundations/charities, endowments, corporate and public pensions, state government of municipal entities, other institutions, registered mutual funds, collective investment trusts and private funds. Please see the *Types of Advisory Services* sub-section of the *Advisory Business* section for more details.

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

## Methods of Analysis

MAP utilizes fundamental and quantitative techniques to identify undervalued businesses with attractive business and industry characteristics. Strategies may use quantitative or other technology driven techniques to focus research on a subset of each strategy's investable universe. Fundamental analysis is then performed to understand the business model, leadership and future prospects of each company and to assess the sustainability of financial metrics. MAP may also consider macroeconomic, sector, industry, and country factors in formulating investment decisions and constructing portfolios. An integral part of the portfolio construction

and monitoring processes is risk management and is performed at the individual stock, portfolio and macro level.

## Risk of Loss

Although MAP makes every effort to preserve each client's capital and achieve real growth of wealth, investing in common stocks involves risk of loss that each client should be prepared to bear. Investing in common stocks involves risks, including political and economic risks. Investing in foreign stocks may involve additional risks, including currency and geopolitical risks and differences in regulatory, legal, and accounting methods.

Some of the methods of analysis described in this document may help to manage risk but none of these methods eliminate risk. Many of the factors used in making investment decisions involve human judgment with the inherent risk involved.

Stocks generally fluctuate more in value than bonds and may decline significantly over short time periods. There is the chance that stock prices overall will decline because stock markets tend to move in cycles, with periods of rising prices and falling prices. The value of a stock in which a strategy invests may decline due to general weakness in the stock market or because of factors that affect a particular company or industry.

The investment return and principal value of a client's account, when redeemed, may be worth more or less than their original cost.

## Investment Strategies

### Eastern Shore Capital Management Small Cap Equity

The Small Cap Equity strategy seeks to preserve and grow capital while outperforming the Russell 2000 Index over a complete market cycle. The strategy typically holds 70 to 100 stocks with market capitalizations within the range of the Russell 2000 Index at purchase. For comparison purposes, the Small Cap Equity strategy is measured against the Russell 2000 Index. This strategy employs bottom-up, fundamental research to identify quality companies with strong or improving financial positioning, that have competitive advantages, managed by skilled capital allocators when they can be purchased at reasonable prices. The strategy provides reasonable diversification across sectors.

This investment strategy invests in smaller capitalization companies which tend to have less liquidity and greater price volatility than larger capitalization companies.

### Eastern Shore Capital Management Smid Cap Equity

The Smid Cap Equity strategy seeks to preserve and grow capital while outperforming the Russell 2500 Index over a complete market cycle. The strategy typically holds 60 to 90 stocks with market capitalizations within the range of the Russell 2500 Index at purchase. For comparison purposes the Smid Cap Equity strategy is measured against the Russell 2500 Index. This strategy employs bottom-up, fundamental research to identify quality companies with strong or improving financial positioning, that have competitive advantages, managed by skilled capital allocators when they can be purchased at reasonable prices. The strategy provides reasonable diversification across sectors.

This investment strategy invests in small and mid-capitalization companies which tend to have less liquidity and greater price volatility than larger capitalization companies.

### Global Value Advisors International Small Cap

The International Small Cap strategy seeks long-term capital appreciation while outperforming the MSCI All Country World ex US Small Cap Index over a complete market cycle. The strategy typically holds 80 to 130 stocks. For comparison purposes, the International Small Cap strategy is measured against the MSCI ACWI ex-US Small Cap Index. This strategy employs a disciplined methodology to delineate an advantaged subset of the universe then it applies fundamental research to identify companies with sustainable Free Cash Flows to maintain their assets, finance their growth and return capital to shareholders. The strategy provides reasonable diversification across sectors and countries.

This investment strategy invests in smaller capitalization companies which tend to have less liquidity and greater price volatility than larger capitalization companies.

### Global Value Advisors Global Equity

The Global Equity strategy seeks long-term capital appreciation while outperforming the MSCI All Country World Index over a complete market cycle. The strategy typically holds 70-90 stocks. For comparison purposes, the Global Equity strategy is measured against the MSCI ACWI Index. This strategy employs a disciplined methodology to delineate an advantaged subset of the universe then it applies fundamental research to identify companies with sustainable Free Cash Flows to maintain their assets, finance their growth and return capital to shareholders. The strategy provides reasonable diversification across sectors.

### Global Value Advisors Emerging Markets

The Emerging Markets strategy seeks long-term capital appreciation while outperforming the MSCI Emerging Markets Index over a complete market cycle. The strategy typically holds 70-100 stocks. For comparison purposes, the Emerging Markets strategy is measured against the MSCI Emerging Markets Index. This strategy employs a disciplined methodology to delineate an

advantaged subset of the universe then it applies fundamental research to identify companies with sustainable Free Cash Flows to maintain their assets, finance their growth and return capital to shareholders. The strategy provides reasonable diversification across sectors.

### Private Fund Risk

Moody Aldrich Partners, LLC, a Delaware limited liability company (the "General Partner"), through its Global Value Advisors division, is the general partner of the Global Value Advisors Fund LP (the "Partnership"), a Delaware series limited partnership, and is responsible for its overall management and for the management of each Series' portfolio.

A private fund is an investment vehicle that pools capital from a number of investors and invests in securities and other instruments. In almost all cases, a private fund is a private investment vehicle that is typically not registered under federal or state securities laws. Because certain private funds do not have to register under these laws, issuers may only offer these funds to certain sophisticated or accredited investors and cannot offer or sell them to the general public. Private funds are generally smaller than mutual funds because they are often limited to a small number of investors and have a limited number of eligible investors. Many but not all private funds use leverage as part of their investment strategies. Private funds management fees typically include a base management fee along with a performance component. In many cases, the fund's managers may become "partners" with their clients by making personal investments of their own assets in the fund. Most private funds offer their securities by providing an offering memorandum or private placement memorandum, known as "PPM" for short. The PPM covers important information for investors and investors should review this document carefully and should consider conducting additional due diligence before investing in the private fund. The primary risks of private funds include the following:

- Private funds are not sold publicly and are therefore illiquid. An investor may not be able to exit a private fund or sell its interests in the fund before the fund closes.
- Private funds are subject to various other risks, including risks associated with the types of securities in which the private fund invests or the type of business issuing the private placement.

## Item 9: Disciplinary Information

MAP and its management persons have no material legal or disciplinary events to disclose.

# Item 10: Other Financial Industry Activities and Affiliations

## Affiliations

MAP, and its management team, own substantially all of Harvest Funds Management, LLC (HFM) that serves as the general partner of Harvest Fund I, L.P., a Delaware limited partnership, and Harvest Fund International SPC, a Cayman Islands segregated portfolio company (collectively, the "Harvest Funds"). HFM has made strategic investments in the funds and businesses of early stage investment managers and acquired rights to shares in management and performance fees from these firms. MAP provides HFM with administrative support and services and has not included the assets of the Harvest Funds as part of MAP's firm assets under management or advisement. Please see the *Participation or Interest in Client Transactions* sub-section of the *Code of Ethics and Participation or Interest in Client Transactions and Personal Trading* section below for additional details.

MAP owns substantially all of kWantix LLC ("kWantix"), that serves as general partner to kWantix Trading Fund I, LP, a Delaware limited partnership. kWantix focuses on trading in the wholesale electricity markets. MAP provides kWantix with administrative support services and has not included the assets of kWantix Trading Fund I, LP as part of MAP's firm assets under management or advisement.

HFM and kWantix have entered into performance-based fee arrangements with their limited partners. HFM and kWantix fully disclose to their limited partners in the funds about the potential for conflicts when charging performance-based fees and all parties agree to such terms. HFM, kWantix, Harvest Funds, and the kWantix Trading Fund do not provide investment advisory services that are competitive to MAP's current strategies or directly invest in the same securities that MAP strategies are invested in and, accordingly, MAP does not believe that there is any conflict between the advice provided by HFM and kWantix, and the advice provided by MAP.

Because MAP, HFM, and kWantix share supervised persons, such persons manage accounts that charge performance-based fees at the same time as accounts that do not charge performance-based fees. There is a potential conflict in managing these accounts at the same time, in that there is an incentive to favor accounts for which performance-based fees are earned. In order to address this potential conflict, MAP has developed policies and procedures for treating all clients in a fair and equitable manner.

For Fund investors who are not advisory clients, MAP fees are negotiated. For additional information see the *Fees and Compensation* section above.

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

## Code of Ethics

As required pursuant to Rule 204A-1 under the Investment Advisers Act of 1940 (the "Advisers Act"), MAP has adopted a Code of Ethics which outlines MAP's Standards of Conduct for its employees. MAP's Chief Compliance Officer is primarily responsible for implementing, educating, administering and monitoring the Code of Ethics. A complete copy of the Code of Ethics is available to clients or prospective clients by contacting Amanda Velluto at avelluto@moodyaldrich.com.

Below is a summary of the areas covered by MAP's Code of Ethics.

### Standards of Conduct and Compliance with Laws

All employees of MAP:

- Will conduct themselves to the highest level of honesty and integrity;
- Will act with integrity and honesty in dealings with clients;
- Must not take unfair advantage of any client;
- Must avoid conflicts of interest or the appearance of conflicts of interest with clients;
- Will always place the interests of the Firm's clients above their own personal interests;
- Will approach all relationships in the highest ethical manner; and,
- Will always act within the letter and the spirit of all applicable state and federal securities laws, rules and regulations as well as MAP's Compliance Policies & Procedures and Code of Ethics.

### CFA Institute Code of Ethics & Standards of Professional Conduct

All employees of MAP are expected to be familiar with and to adhere to the CFA Institute's Code of Ethics and Standards of Professional Conduct in its entirety. The full document is available on the CFA Institute's website at: http://www.cfainstitute.org.

### Employee Personal Securities Transactions

The Firm's policy details the requirement for access persons to receive pre-clearance for personal securities trading to ensure that there are no conflicts of interest with client accounts and that investment opportunities are offered first to clients before employees may act on them. It additionally details the securities specifically included and specifically exempt from the pre-clearance requirement.

### Initial and Annual Holdings Reports and Quarterly Transaction Reports

The Firm's policy details the requirement for access persons to provide an initial holdings report upon employment and annual holdings reports thereafter. MAP also requires its access persons to provide quarterly personal transactions reports.

### Contributions to Elected Officials or Labor Unions

The Firm's policy details the requirement for covered associates to provide an initial attestation that their contribution activities regarding elected officials or labor unions are in adherence with the letter and the spirit of all applicable state or federal securities laws, rules and regulations. MAP also requires its covered associates to quarterly re-attest adherence with applicable state or federal securities laws, rules and regulations.

MAP and its covered associates are prohibited from soliciting or coordinating campaign contributions from others for an elected official who is in a position to influence the selection of MAP as adviser. MAP also prohibits solicitation and coordination of payments to political parties in a state or locality where MAP is seeking business.

MAP and its covered associates are prohibited from paying a third party, such as a solicitor or placement agent, to solicit government clients on behalf of MAP, unless that third party is an SEC-registered investment adviser or broker-dealer subject to similar pay to play restrictions.

MAP and its covered associates are prohibited against circumventing the rule by doing something indirectly that would be prohibited if done directly. Attempts to route prohibited contributions through other parties would result in application of the two year ban on paid advisory services for compensation to the applicable government entities.

## Participation or Interest in Client Transactions

MAP allows qualified clients of MAP the opportunity to invest in the Harvest Funds. HFM is the investment adviser to the Harvest Funds and as Directors of HFM, William Moody and Eli Kent, provide investment advice to the investors of the Harvest Funds. MAP is not an advisor or sub advisor to the Harvest Funds or HFM. HFM receives compensation from its clients for providing advisory services and it also receives a portion of management and performance fees from its related private funds. MAP receives compensation through its ownership interest in HFM and is not separately compensated by any HFM client, however a small number of MAP's fee paying clients whom are accredited investors, are invested in the funds of investment firms that are affiliated with HFM. Neither HFM nor the Harvest Funds provide investment advisory services that are competitive to MAP's current strategies. Neither HFM nor the Harvest Funds directly invest in the same securities in which MAP strategies are invested. See the *Affiliations* sub-section of the *Other Financial Industry Activities and Affiliations* section above for additional details about these affiliations.

## Employee Accounts

Employees and MAP partners are allowed to establish accounts that are managed by MAP. Employee accounts are treated with the same fairness as any client account with respect to allocation of investment opportunities. Employee accounts are included in the established trade order rotation and, when possible, included in block trading with other client accounts. For more information on the Firm's trade order rotation, please see the *Order Execution of Directed and Non-Directed Blocks* sub-section of the *Brokerage Practices* section of this Brochure. Pre-clearance of personal securities trading is not required for a managed employee account. With pre-clearance, employees are allowed to transact in the same securities as the Firm's clients.

# Item 12: Brokerage Practices

## Selecting Brokerage Firms

The Firm's primary criterion for the selection of a broker is its experience with that firm/trader and, in particular, its judgment of their integrity. This includes their past ability to execute trades in a timely manner with little, if any, market impact. Often, a firm is selected based on its experience in trading a particular stock or industry (e.g. banks). The Firm also avoids brokers with a history of being error prone or have not been cooperative in correcting errors. Execution services including trade settlement and other administrative tasks that may be associated with trade execution are also factored into broker selection.

BTIG, LLC (the "Prime Broker") acts as the prime broker for the GVA strategies and may receive substantial brokerage commissions. GVA selected the Prime Broker on the basis of the services they provide to GVA, expertise in foreign exchanges, support services, reporting, and access to online trading to assist GVA in managing and monitoring client accounts. GVA may enter into brokerage relationships with other brokers.

## Best Execution

### Importance of Trading

MAP seeks to obtain best execution for its clients in such a manner that the client's total cost for or income from each transaction is the most favorable under the circumstances. The SEC has stated that the determining factor is not the lowest possible commission cost but whether the transaction represents the best qualitative execution. In seeking to achieve best execution, MAP considers the full range and quality of a broker's services including commission rate, financial responsibility, execution capabilities, and responsiveness. MAP is committed to achieving best

execution with respect to clients' securities transactions. Since each investment professional is involved in the trading process, each professional realizes the expense of trying to buy a stock that does not have adequate liquidity or attempting to execute the trade too quickly for the underlying trading volume. Thus, each portfolio manager realizes the importance and the limitations of the trading process in generating quality returns for the Firm's clients.

GVA utilizes the services of a Prime Broker for client transactions and, accordingly, the Prime Broker may receive substantial brokerage commissions. The Prime Broker is obligated to seek best execution for its clients and has established a best execution committee, which meets quarterly to review and discuss best execution matters. By directing brokerage to the Prime Broker, the Firm may be unable to achieve the most favorable execution of client transactions, and this may cost the clients' money. The Prime Broker also charges a step-out fee and therefore stepping-out trades are often not in the best interest of the client. In certain circumstances stepping-out may be beneficial due to the types of securities or liquidity of a transaction. In those cases, the investment team will consider the step-out fee prior to executing the transaction.

### Periodic Reviews

The quality of the Firm's client account executions is tested by the Chief Compliance Officer or a designee and reviewed by the portfolio managers at least annually. Testing items include:

- Broker quality: including commission rate, financial responsibility, execution capabilities and responsiveness.
- Distribution of portfolio returns: a quarterly review of the distribution of each strategy's gross portfolio returns, including an explanation of any extreme outliers. This review includes a closer examination of employee account returns. See the *Participation or Interest in Client Transactions* sub-section of the *Code of Ethics, Participation or Interest in Client Transactions and Personal Trading* section for more information on employee account practices.
- Trade order rotation: this testing is designed to ensure that the trade order rotation is being adhered to and that no one execution block is being unfairly or systematically advantaged or disadvantaged.
- Changes in any stated policy (such as soft dollar arrangements).
- Review portfolio commissions of directed brokerage accounts for reasonableness.

Immediate corrective action will be taken in the event that MAP's brokerage practices are not being followed or are inadequate. Corrective action could include reinforcement of current policy or revision of stated policy.

## Soft Dollars

MAP does not have a soft-dollar budget, nor does it enter into any formal soft-dollar arrangements with broker-dealers.

### Research Services Provided by Brokers

From time to time, the Firm may affect transactions for clients with broker-dealers who incidentally provide MAP with research or other related products and services, thus providing lawful and appropriate assistance in the performance of the Firm's investment decision-making responsibilities. Notably, MAP does not "pay up" for any of these services. Rather, it pays competitive commission rates to all of the broker-dealers with whom it trades and regularly evaluates the quality of executions being received.

### Commissions

For non-directed accounts, MAP may negotiate commissions. MAP may occasionally pay a higher rate than available by other brokers, if it believes the value it receives in research and execution services is commensurate with the commissions paid. Because clients are responsible for brokerage commissions, the cost of external research is borne by the clients rather than the adviser regardless of the means of payment. MAP's use of external research could be deemed to create a conflict of interest to the extent it creates an incentive for the adviser to choose brokers-dealers based on an interest in receiving research and other services rather than the investors' interest in receiving most favorable execution. MAP has policies and procedures in place in order to mitigate any conflicts including review of broker commissions by the Portfolio Managers and Chief Compliance Officer.

## Order Aggregation

### Allocation of Orders

As noted above, MAP seeks to obtain best execution on each portfolio transaction for a client. As part of its effort to obtain best execution, when possible, MAP aggregates trades in an individual security by as many accounts as practicable, except where subject to client trade direction constraints. Each client account participating in a specific block will receive the average price for that execution. In the rare case where a partial block is executed, each participant will buy or sell a proportionate number of shares. Pro-rata allocations will be rounded to the nearest 5 or 10 shares where possible. In the case where a very small number of the shares are executed, the block may be allocated, pro-rata, to the largest clients (by market value) in the block so as to minimize the number of allocations of one or two shares per portfolio. Another possible exception to the allocation policy is the case where a small account in a directed block may have a relatively large commission cost. In this case, all the shares to that account may be allocated in one transaction.

### Exceptions to Pre-Determined Allocation of Orders

In the event of a deviation from the pre-established allocation procedure, a written explanation will be provided to the portfolio manager or Chief Compliance Officer for approval. The explanation and approval will be filed with the trade order memoranda or in the order management system.

## Order Execution of Directed and Non-Directed Blocks

MAP investment teams typically have complete discretion over the selection and amount of securities to be bought or sold without obtaining additional, transaction specific client consent. The Firm's trading software is used to determine the number of shares to be purchased at each directed broker as well as the non-directed block. The Firm treats each of these blocks with fairness as to the order of execution. Trade order rotation is determined by a pre-scheduled trade calendar (pre-determined one month in advance). If block A is the starting point in the rotation for week 1, it will be first in a trade rotation for the entire calendar week. Block B will be the starting point for week 2 and block A will be executed last during week 2. Accounts for which the Firm does not have full trading discretion, such as directed brokerage or model-based UMA programs, may go last in the rotation.

### Executing Difficult Trades

When executing a large order (e.g. where the number of shares is larger than the average daily volume), the Firm works strictly with a short list of trusted brokers. Direction is given as to what portion of the block will be shown and the Firm's traders will coordinate with the broker until the trade is completed. A mitigating factor in this process is the fact that a meaningful proportion of the Firm's clients' directed trades disperse the trade to several brokerage houses.

### Directed Trades by Clients

When a client directs the use of a particular broker-dealer, or broker-dealers, MAP may not be able to negotiate commission rates or spreads or obtain volume discounts, and best net price may not be achieved. In addition, transactions for a client that directs brokerage may not be aggregated with orders for the same securities for other accounts managed by MAP. Accordingly, directed transactions may be subject to price movements, particularly in volatile markets, that may result in the client receiving a price that is less favorable than the price obtained for a block order. Under these circumstances, the direction by a client of a particular broker or dealer to execute transactions may result in higher commissions, greater spreads, or less favorable net prices, including minimum ticket charges, than might be the case if MAP could negotiate commission rates or spreads freely, or select brokers or dealers based on best execution. Client directed brokerage arrangements must be made in writing.

## Trade Error Correction Policy

Where possible, all trade errors will be corrected through an error account and not the client account. If the error negatively affects the client, the client is made whole. If the error positively affects the client, the client retains the benefit. If the error were to hit the client account causing a loss or gain, the client is notified immediately. All conflicts and trade errors will be corrected in

a timely manner at no cost to the client. Broker-dealers are not compensated through brokerage commissions for cancelling or correcting trades.

# Item 13: Review of Accounts

## Periodic Reviews

Cash, holdings and market values for all client accounts are reconciled to the custodial records by the Firm's operations staff, or designee, daily and reviewed by the Chief Compliance Officer at least quarterly. Client guidelines are reviewed by the Portfolio Managers and Chief Compliance Officer at least quarterly.

It is the responsibility of the Portfolio Managers to ensure that each client's account adheres to the discipline of the appropriate strategy and to the client's investment guidelines (if provided). The Chief Compliance Officer runs a drift report weekly and gives it to the portfolio managers and trader for their review and commentary on any outliers. The report summarizes the following:

- Cash: Ensure that each client's account has a percentage in cash and equivalents that is within 5% of the model or principal composite for that strategy;
- Restrictions: Ensure that each client's restrictions, if any, are honored; and,
- Equity positions/Model drift: Ensure that each addition/deletion from the respective strategies has been bought/sold in each client's account. Ensure that there have not been any securities deposited to client accounts which remain to be sold.

In the event there is found to be a conflict with stated guidelines, the conflict is reported to the Chief Compliance Officer (CCO) and Portfolio Managers upon discovery and corrective action is taken. Proceeding with corrective action will vary by client according to their stated guidelines. In all cases, if the conflict or any corrective actions negatively affects the client, the client is made whole. If the error or any corrective actions positively affects the client, the client retains the benefit. Clients will be notified promptly of any violations to their investment guidelines. All conflicts and trade errors will be corrected in a timely manner at no cost to the client. Refer to the *Trade Error Correction Policy* sub-section of the *Brokerage Practices* section for additional information.

A review of the events and circumstances leading to the conflict will be immediately reviewed and internal procedures will be adjusted accordingly in order to prevent conflicts from being systematically repeated.

## Review Triggers

Factors that may trigger an additional account review may include:

- Finding a misclassified or misidentified security which may have resulted in a violation of the strategies' guidelines;
- Finding a misclassified or misidentified security which may have resulted in a violation of the clients' guidelines; or,
- Finding a guideline violation in an account with similar client guidelines.

### Regular Reports

Clients may receive periodic reports regarding their accounts. Such reports may include a summary of the holdings and transactions in their accounts, and a statistical review of the performance of the account, together with a letter discussing the results for a stated period. Customized reporting requirements can be accommodated by special arrangement.

Clients are urged to compare the account statements received from their qualified custodian with those received from MAP.

## Item 14: Client Referrals and Other Compensation

MAP does not currently pay for client referrals. If MAP were to pay a referral fee to independent persons or firms ("Solicitors) for introducing clients, it would require the Solicitor to provide the prospective client with a copy of this document (the Firm Brochure) and a separate disclosure statement that includes the following information:

- The Solicitor's name
- The Firm name
- The nature of the relationship, including any
- affiliation between the solicitor and the Firm
- A statement that the Firm will be compensating the solicitor for solicitation activities
- The terms of the compensation agreement
- The cost, if any, to the client that is attributable to the solicitation arrangement.

## Item 15: Custody

MAP prohibits any employee from having custody of client funds or securities including:

- Possession of client funds or securities (excluding checks drawn by clients and made payable to third parties) unless received inadvertently and returned to the sender promptly but in any case within three business days of receipt

Each client of MAP must obtain a qualified custodian to open an account for management by MAP. The qualified custodian must send at least quarterly account statements directly to its clients. Clients should carefully review custodian statements. Clients and advisers who receive account statements from MAP are urged to compare the account statements received from their qualified custodian with those received from MAP.

MAP is deemed to have custody for purposes of amended Rule 206(4)-2 of the Advisors Act due to the ability to deduct management fees from clients' accounts and receive such payment from the clients' custodians.

MAP is deemed to have custody, through its GVA division, in its capacity as General Partner and Manager of the Global Value Advisors Fund LP, which receives an annual audit from an independent accounting firm registered with, and subject to, regular inspection by the Public Company Accounting Oversight Board. Audited financial statements are provided to the limited partners of the funds within 120 days after each fiscal year end.

MAP's related person, HFM, is also deemed to have "custody" of client funds and securities since it is the general partner of Harvest Fund I, L.P., and its related persons are directors of Harvest Fund International SPC. The funds for which HFM acts as the General Partner receive an annual audit from an independent accounting firm registered with, and subject to, regular inspection by the Public Company Accounting Oversight Board. Audited financial statements are provided to the limited partners of the funds within 180 days after each fiscal year end. Consequently, such investors therein may not receive reports directly from HFM's "qualified custodian."

While the nature of its investments and trading activities do not require SEC registration, kWantix is considered to be a related person of MAP (see Item 4 for further detail on kWantix). The fund for which kWantix acts as the General Partner receives an annual audit from an independent accounting firm registered with, and subject to, regular inspection by the Public Company Accounting Oversight Board. Audited financial statements are provided to the limited partners of the funds within 120 days after each fiscal year end.

# Item 16: Investment Discretion

As part of its Investment Management Agreement, clients authorize MAP to:

- Direct the qualified custodian of the client account regarding the investment, reinvestment, sale, receipt, delivery or retention of any property in the account;
- Place orders with brokers or dealers or others for the purchase, sale, exchange or liquidation of any property in the client account, and to establish accounts with one or more securities brokers or dealers as MAP may select as shall be consistent with the

discretionary authority granted to MAP. MAP shall not be responsible for any acts or omissions by any such brokers or dealers, or any third party not owned by MAP, provided that MAP is not negligent in the selection of such broker or dealers or third parties. MAP is hereby authorized to combine orders on behalf of the client account with orders on behalf of other clients of MAP; and,

- Give such instructions to the custodian from time to time as MAP believes to be necessary for the proper implementation of the foregoing.

# Item 17: Voting Client Securities

## Proxy Voting Policy

Pursuant to Rule 206(4)-6 under the Advisers Act, MAP has in place written policies and procedures for proxy voting which outlines its philosophy and practices for voting proxies of securities in fully discretionary accounts.

MAP's Investment Management Agreement expressly authorizes it to vote proxies on behalf of its clients unless notified in writing by the client that such services shall be their responsibility. If the client wishes another party to vote proxies, MAP will have no liability or responsibility in connection with the voting of such proxies. Those clients will receive their proxies or other solicitations directly from their custodian or transfer agent. These clients may contact MAP with questions about a particular solicitation by calling the phone number listed on the cover page. MAP permits clients to direct it to vote proxies in a specific way by providing direction to the contact at the beginning of this document at least 5 business days prior to the voting deadline for the security. MAP reserves the right to refrain from voting a proxy if it believes it is in the client's best interest.

MAP has retained the services of a Proxy Administrator, Broadridge/Proxy Edge, which collects electronic ballots and facilitates the overall proxy voting process.

The proposals on each ballot are reviewed by the portfolio managers as ballots are received. Records of each vote cast are kept by the Proxy Administrator or, where electronic records are not received, manually tracked at MAP.

### Conflicts of Interest

It is difficult to predict what conflicts may arise in the proxy voting process due to the numerous scenarios which could arise. For material conflicts of interest that arise within the proxy voting process, MAP will seek the affected client’s consent of its voting decision in writing including a disclosure of all material conflicts before voting. When seeking client consent, MAP will provide the client with sufficient information regarding the shareholder vote and the adviser's conflict so that the client can make an informed decision whether or not to consent. If MAP is unable to

obtain client consent, it will take other steps designed to ensure, and to demonstrate that these steps resulted in a voting decision that was based on the client's best interest. MAP reserves the right to vote the shares of its other clients with no conflict according to its policy herein.

MAP votes proxies as a convenience to its clients. Due to the nature of our typical investments, it is anticipated that material conflicts of interest will rarely occur.

MAP's portfolio managers and/or the Chief Compliance Officer are responsible for documenting all issues relating to any particular conflict in accordance with the firm's Books and Records Policy.

### Poison Pills (Shareholder Rights Plans)

MAP believes that poison pills can reduce management accountability by limiting opportunities for corporate takeovers and are not generally in the shareholders' best interest. We will typically vote against poison pill plans but always consider each issue on its own merits.

### Stock Options

We urge companies to be responsible in issuing options but always consider each issue on its own merits.

### Election of Directors

MAP prefers that a majority of the board of directors be independent. An independent director has no significant financial or familial relationship with the company other than serving on the board and being compensated for that service. Accordingly, we may on occasion vote against one or more competent individuals simply because a majority of the board members is not independent.

### Staggered Boards

By design, staggered boards have the effect of limiting control of a representative body by the body being represented. Generally, MAP will support the annual election of directors and will vote against staggered boards which we believe to be less accountable to shareholders.

### Majority Vote for the Election of Directors

Today, most companies elect directors by the so called "plurality" vote standard. If a nominee receives as few as one vote, the nominee "wins" the election and assumes a seat on the board. In contrast, the "majority" vote standard must receive a majority of the shares voted in order to take a seat on the board. Under the plurality standard, if a shareholder does not want to vote for a nominee for director, one can withhold votes for that person. However, if one shareholder votes for the director in question, the nominee wins. Using the majority standard, this somewhat absurd situation cannot occur. Clearly, shareholders have more influence on board elections with the

majority standard and MAP will generally vote in favor of majority vote standard when presented with the opportunity.

### Advisory Vote on Executive Compensation (Say-on-Pay)

In cases where MAP finds deficiencies in a company's compensation program's design, implementation or management, we will vote against the Say-on-Pay proposal. Generally such instances include evidence of a pattern of poor pay-for-performance practices, unclear or questionable disclosure regarding the overall compensation structure, limited rationale for bonus performance targets or any other compensation scheme which are judged unfair to shareholders.

### Frequency of Say-on-Pay

Perhaps for the first time, shareholders are seeing a multiple choice question on proxy statements. The Dodd-Frank Act requires companies to allow shareholders a non-binding vote on the frequency of Say- on-Pay votes, i.e. every one, two or three years. Further, Dodd-Frank requires companies to hold such votes on the frequency of Say-on-Pay votes at least once every six years. Barring some extraordinary circumstance, MAP prefers the annual submission of Say-on-Pay to shareholders. Management policies and management itself can change significantly in two or three years.

### 162(m) Plans

Section 162(m) of the Internal Revenue Code allows companies to deduct compensation in excess of $1 million for the CEO and the next three most highly compensated executive officers, excluding the CFO, upon shareholder approval of the excess compensation. MAP typically votes to allow the company the ability to take these tax deductions.

### Auditor Ratification

The auditor's role is crucial in ensuring the integrity and transparency of the financial information necessary for protecting shareholder value. Shareholders rely on the auditor to perform a thorough analysis of a company's books to ensure that the information provided to the marketplace is complete, accurate, fair, and that it is a reasonable basis for establishing a valuation of a company's financial position. MAP generally supports management's choice of auditor.

### Disclosure of Proxy Voting

We are able to provide a quarterly report to clients (at their request) that summarizes the proxies received and voted on their behalf. This report includes a brief description of each item and how it was voted. Further, the report indicates items where we voted against management.

Additional information about our Proxy Voting Policy is available, free of charge, upon request to the contact at the beginning of this document.

# Item 18: Financial Information

MAP has never been the subject of a bankruptcy petition and we are not aware of any financial condition that is reasonably likely to impair our ability to meet our contractual commitments to our clients.

# Item 19: Privacy Notice

## Protecting the Privacy of Client Records and Information

MAP is committed to upholding the interests of its clients. For this reason, we keep your personal information as confidential as possible for your general welfare. MAP will not disclose personal information to anyone unless it is:

- required by law
- at your direction
- necessary for providing you with our best service

MAP has not and will not sell its clients' personal information to anyone for any reason.

## Information We Will Collect

In order to properly manage client accounts, MAP collects and maintains the following types of information:

- information provided by clients or clients' financial advisor upon opening an account
- information generated to service clients' accounts (such as trade tickets and account statements)
- information received from third parties with respect to clients' accounts (such as trade confirmations from brokerage firms)

## Who Receives Information and Why

In order to properly manage client accounts, MAP may also disclose the personal information collected above to the following:

- the Securities and Exchange Commission (all of MAP's records are subject to review during SEC examinations)
- brokers (for trading purposes)
- MAP's auditor (in checking billings & receivables, etc.)

- consultants upon clients' direction

## How We Protect Your Information

MAP maintains certain safeguards to ensure that clients' personal information is protected now as well as in all future matters, including closed accounts. These safeguards include enforcing policies that physically and electronically keep client information safe, and allowing only employees to have confidential access on a need-to-know basis for their job completion.

## Where to Find Out More

MAP is pleased to inform its clients and prospective clients of the policies it maintains to ensure that its clients' personal information is kept secure. Questions or comments concerning MAP's privacy practices may be directed to:

Amanda Velluto
Chief Compliance Officer
Moody Aldrich Partners, LLC
18 Sewall Street
Marblehead, MA 01945
(781) 639-2750

A copy of this privacy statement is provided to each client upon entering into an advisory agreement with MAP and will be provided to each client if amended.