

**Firm Disclosure Brochure**

Form ADV Part 2A

*November 10, 2020*

**DEUTERIUM CAPITAL MANAGEMENT, LLC**

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This brochure provides information about the qualifications and business practices of Deuterium Capital Management, LLC (“Deuterium” or the “Firm”). If you have any questions about the contents of this brochure, please contact the Chief Compliance Officer at the number listed above. The information in this brochure has not been approved or verified by the U.S. Securities and Exchange Commission (the “SEC”) or by any state securities authority. Additional information about Deuterium is available on the SEC’s Investment Adviser Public Disclosure website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). Deuterium will operate as an independent, SEC registered investment adviser. Registration does not imply any level of skill or training.

## **Item 2. Materials Changes**

In this Item, the Firm is required to discuss any material changes since its last annual amendment to the Form ADV. Since the previous update on October 8, 2020, the Firm has changed its legal name from Ozsan, Gregori and Company, LLC to Deuterium Capital Management, LLC. The Firm has also moved its principal office location to 1006 North Fort Harrison Avenue Clearwater, Florida 33755-3017. In addition, the Firm has named Sondra Berman to be the Firm's Chief Compliance Officer, official as of the time of this filing.

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## **Item 4. Advisory Business**

### Description of the Firm

Deuterium has been in business as a US registered investment adviser since April 2018 and its principal owner is Osman Ozsan. The Firm provides comprehensive investment management solutions to affluent families through both direct relationships and partnerships with family offices and/or similar institutions. Deuterium also provides investment subadvisory services to several sub-funds of the Falcon UCITS ICAV<sup>1</sup>, an umbrella Irish Collective Asset-management Vehicle (collectively, “UCITS Funds”).

### Investment Advisory Services

For family office clients, Deuterium provides clients with statistical based investment advisory services, which includes both discretionary and non-discretionary investment management, which generally includes the following:

- Portfolio review, optimization and recommendations;
- Due diligence and company analysis for both private and public companies in which clients may be looking to invest or which clients may be potentially interested;
- Investment strategy proposals, market evaluations and analysis on a private and bespoke basis; and
- Fundamental and technical analysis of markets and securities.

As detailed in Item 8 (below), Deuterium primarily allocates clients’ assets based on the clients’ liquidity preferences and risk tolerance in relation to their specific circumstances and personal objectives. Investments include, but are not limited to, individual debt and equity securities, mutual funds, registered closed end funds, exchange-traded funds (“ETFs”), options and other derivatives, separate account managers, and privately place securities, inclusive of interests in private investment funds or co-investments. Deuterium may also provide advice about a client’s comprehensive balance sheet, including held-away assets, legacy positions and/or externally managed portfolios, depending on the terms of the engagement.

With respect to the UCITS Funds, Deuterium, as the subadviser, provides discretionary investment management to each sub-fund in accordance with the terms and conditions specified in the applicable offering documents, which may include the Prospectus, Supplement, Statement of Additional Information, and/or other such documentation, as may be amended from time to time (collectively, the “UCITS Offering Documents”). For purposes of investment adviser regulation and specifically this Form ADV, the term “client” may include the UCITS Funds but does not include the underlying investors in those vehicles, unless an advisor-client relationship exists otherwise.

### Client Tailored Engagements

Deuterium tailors its advisory services to the individual needs of clients. The Firm consults with clients at the initiation of a relationship and on an ongoing basis to determine risk tolerance, time horizon, desired expenditure levels, optimal currency exposures, intergenerational plans and other factors that may impact the clients’ investment objectives. Deuterium ensures that clients’ investment portfolios are suitable for their investment needs, goals, objectives and risk tolerance.

Clients are advised to promptly notify Deuterium if there are changes in their financial situation or investment objectives or if they wish to impose any reasonable restrictions upon Deuterium’s management services. Clients

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<sup>1</sup> The term “UCITS” stands for Undertakings for the Collective Investment in Transferable Securities, the primary regulatory framework that allows for the sale of cross-Europe mutual funds. The term “ICAV” stands for Irish Collective Asset Management Vehicle, which is a corporate entity tailored specifically for Irish investment funds, established by way of registration and authorization by the Central Bank of Ireland

may seek to impose reasonable restrictions on the management of their account (e.g., require that a portion of their assets be invested in socially responsible funds or that a certain percentage of assets are set aside for future liquidity needs) if, in the Firm's sole discretion, the conditions will not materially impact the performance of a portfolio strategy or prove overly burdensome to its ability to deliver successful portfolio outcomes.

In performing its services, Deuterium is not required to verify independently any information received from the client or from the client's other professionals (e.g., primary advisor, attorney, accountant, etc.) and is expressly authorized to rely on such information. Deuterium may recommend the services of itself and/or other professionals to implement its recommendations. The client is under no obligation to act upon any of the recommendations made by the Firm or to engage the services of any such recommended professional, including Deuterium itself. Clients are advised that it remains their responsibility to promptly notify Deuterium if there is ever any change in their financial situation or investment objectives for the purpose of reviewing, evaluating, or revising the Firm's previous recommendations and/or services.

#### Wrap Fee Programs

The Firm does not sponsor or participate in any wrap fee programs.

#### Assets Under Management

As of December 31, 2019, Deuterium managed \$864,272,757 of regulatory assets under management, \$708,157,746 of which was managed on a discretionary basis and \$156,115,011 of which was managed on a non-discretionary basis.

### **Item 5. Fees and Compensation**

#### Investment Advisory Fees – Family Office Clients

Investment advisory fees are individually negotiated with each client and will generally take the form of a fixed monthly or quarterly retainer fee in accordance with the terms of the operable investment advisory agreement.

For accounts managed on a discretionary basis, Deuterium may negotiate to charge a separate and additional fee based on a percentage of assets under management and/or performance of an account/investment. Asset based fees may be charged in advance or arrears and will be calculated using the closing account value on the last day of the billing period, subject to adjustments for significant account inflows and outflows. Performance fees are generally paid to an affiliate of Deuterium on an annualized basis, subject to an agreed upon hurdle rate of return and high water mark. All clients of the Firm will satisfy the conditions to be considered "Qualified Purchasers" and any such performance based fees will be charged in accordance with applicable federal securities laws.

#### UCITS Subadvisory Fees

The Firm will receive a subadvisory fee based on a percentage of each UCITS Fund's net asset value. As detailed in the respective UCITS Offering Documents, this fee will be calculated daily and paid on a monthly or quarterly basis in arrears.

#### Fee Discretion

Deuterium may, in its sole discretion, negotiate to discount or waive certain fees based upon certain criteria (e.g., investment only accounts, anticipated future earnings, anticipated future additional assets, dollar amount of assets to be managed, related accounts, account composition, preexisting client relationship, account retention, etc.).

### Fee Notice

Clients are advised that if the Firm causes them to hold cash or cash equivalents for an extended period of time, Deuterium will continue to bill on these assets. This may be done for strategic, defensive, liquidity or other purposes and, in this regard, Deuterium's fee may be higher than charges by other advisers that provide the same or similar services.

### Additional Account Fees and Expenses

Each client bears its own operating and administrative expenses and will reimburse Deuterium for such external and internal operating and administrative expenses attributable to the sourcing, selection, closing and monitoring of investments, including:

- Expenses incurred in connection with the sourcing, assessment, purchase, monitoring or sale of a client's investment, including: loan fees; brokerage commission, interest and commitment fees; research fees; transfer taxes and premiums; legal, accounting, investment banking and professional fees; costs of procuring computer software and hardware to be used in research; travel; communications; and other expenses related to the sourcing, evaluation, monitoring and disposition of investments;
- Expenses incurred in connection with managing client investments, including commissions, mark-ups, interest, and fees for services related to custody, wire transfers, trustees, audit, record keeping, and other administrative fees and expenses;
- Attorneys', accountants' and consultants' fees and disbursements;
- Taxes and other charges levied against the client by the government;
- Insurance, regulatory and litigation expenses; and
- Expenses incurred in connection with the preparation and delivery of client financial statements.

The UCITS Funds will also bear additional fees and expenses above and beyond the subadvisory fees paid to Deuterium, as detailed at length in the UCITS Offering Documents.

### Fee Debit

Deuterium may be authorized to directly debit a client's account for payment of its advisory fee. The Financial Institutions recommended by the Firm have agreed to send a statement to the client, at least quarterly, indicating all amounts disbursed from the account including the amount of management fees paid directly to Deuterium. Alternatively, the Firm may also invoice certain clients for direct payment by way of other means.

### Family Office Fees for Management During Partial Quarters of Service

Investment advisory agreements generally set forth an initial term of one year. For the initial billing period of an engagement, fees are calculated on a pro rata basis. The advisory agreement between Deuterium and the client will continue in effect until terminated by either party pursuant to the terms of the agreement. The client is generally required to notify Deuterium at least 60-days prior to such termination. Fees and expenses are prorated through the effective date of termination and any remaining balance is charged or refunded to the client, as appropriate.

Clients may make additions to and withdrawals from their liquid portfolios at any time, subject to Deuterium's right to terminate an account and subject to unfunded commitments made by Deuterium on behalf of client portfolios. Additions may be in cash or securities provided that Deuterium may determine it is not in the client's interests to liquidate any transferred securities due to tax, legal or regulatory restrictions, and may decline to accept particular securities into a client's account. Clients may withdraw account assets on notice to Deuterium,

subject to the usual and customary securities settlement procedures, and subject to reserves required for unfunded commitments. The Firm may consult with its clients about the options and ramifications of transferring securities. However, clients are advised that when transferred securities are liquidated, they are subject to transaction fees, fees assessed at the fund level and/or tax ramifications.

If assets are deposited into or withdrawn from an account after the inception of a quarter, the fee payable with respect to such assets will be prorated based on the number of days remaining in the billing period.

#### Commissions or Sales Charges for Recommendations of Securities

The Firm does not receive any commissions or transaction fees associated with its investment management services. No Supervised Persons of Deuterium are registered representatives of a broker/dealer.

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

Deuterium may negotiate to charge a performance-based fee for certain of its management services, as described in Item 5. Although the firm applies a performance fee in order to improve alignment of interest with its clients, clients are advised that performance fees may present a potential conflict of interest due to the financial incentive engage in riskier or more speculative trading. In addition, to the extent similarly managed accounts operate under different fee structures, there will be an incentive to favor those paying a performance based fee.

### **Item 7. Types of Clients**

Deuterium provides services to affluent individuals and families, and entities for which these families are the beneficial owners, such as entities that serve estate planning objectives. The Firm does not impose a minimum annual fee or minimum account size for its family office services, but the Firm targets investors with at least \$100,000,000 in investable assets.

Deuterium also provides subadvisory services to investment companies registered and domiciled in non-US jurisdictions, including but not limited to Irish ICAVs. Depending on share class, certain UCITS funds may impose minimum investment amounts, as specified in the UCITS Offering Documents.

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

#### Investment Strategies & Methods of Analysis

##### Family Office Strategies

The Firm employs an extensive statistical based analysis when constructing client portfolios and seeks to evaluate projected investment performance and liquidity rates of various asset classes and products in different market environments. Deuterium's growth-oriented strategies target the liquid markets through the use of linear derivatives, options, ETFs, futures and forward contracts, and similar types of relatively vanilla securities. The Firm generally avoids complex structured products, including credit derivatives, collateralized debt obligations and other exotic types of securities. Portfolios are generally reflective of a global macro strategy and may include various uncorrelated assets, such as hedge funds and long-only products.

Deuterium advises on private equity investments, including direct investments, initial private fund subscriptions, co-investments and secondaries. In this regard, the Firm will perform research due diligence and assist with the negotiation of investment terms and fees. Deuterium may also see opportunity to negotiate more favorable terms for structured product proposals and security lending arrangements.

#### *Global Dynamic Allocation Fund (UCITS)*

The investment objective of this sub-fund is to generate positive returns over the course of the global business cycle, which typically runs for five years. The sub-fund is managed according to a global, long-term and dynamic asset allocation model that is adjusted from time to time by short-term tactical asset allocation shifts in anticipation of changing market, fiscal and political conditions. The sub-fund will allocate across a range of asset classes including global equities, debt, currencies, commodities, property and cash.

#### *Global Dynamic Allocation Long/Short Fund (UCITS)*

The investment objective of this sub-fund is to generate positive returns, in all market conditions over a rolling three-year period. The sub-fund is managed according to a global, long-term and dynamic asset allocation model that is adjusted from time to time by short-term tactical asset allocation shifts in anticipation of changing market, fiscal and political conditions. The sub-fund will allocate across a range of asset classes including global equities, debt, currencies, commodities, property and cash. and may take both long and short positions in each asset class.

#### Risks of Loss

Investing involves risk which includes the potential loss of principal, and past performance may not be indicative of future results. An investment in securities risks losing value, which clients should be prepared to bear. The profitability of Deuterium's implementation efforts may depend to a great extent upon the Firm's ability to assess market risk, volatility, liquidity, quality of management and other such factors related to investment performance. Deuterium may be unsuccessful in using derivative instruments to hedge these risks and derivatives may produce more risk and volatility than investments in other securities.

The strategies that Deuterium employs are based on a particular client's objectives. Some clients aim to create a well-diversified portfolio whereas others are more focused on certain investments, such as private placement securities. While Deuterium generally invests in long-term strategies, the Firm may, in its discretion, invest in short-term market opportunities or special situations, should they materialize. There can be no assurance that the assumptions underlying Deuterium's investment decisions will prove effective in achieving a client's objectives.

Deuterium primarily invests in and advises on options, ETFs, funds, privately placed securities and separate account managers. Separate account managers engaged on clients' behalfs may invest in common stocks, other equity and debt securities, private placements and cash equivalents. Markets for mutual funds, closed-end funds, equity and debt securities, privately placed securities and the securities held by the mutual and closed-end funds in which the Firm invests, are generally subject to fluctuations, and the market value of any particular investment may vary substantially. Investment portfolios may not generate any income or appreciate in value. It is impossible to learn all relevant information concerning a mutual fund, a manager, or a security. Further, the Firm may misinterpret or incorrectly analyze the information available about a particular fund, manager or security. These and other factors may cause the Firm to (a) invest in funds or securities or engage separate account managers at times that will lead to losses or (b) refrain from investing in particular funds or securities at times that would have resulted in gains if the Firm had chosen to invest.

The Firm will buy or sell ("write") options on general market indices and ETFs, commodities, currencies and other global macroeconomic instruments and indicators primarily in the domestic and international over-the-



counter markets as well as on national and international securities exchanges. The value of options is determined by a number of principal components, including: (i) the duration of the option; (ii) the prevailing interest rate; (iii) the “strike price” (exercise price) of the option; (iv) the market price of the underlying asset or security to which it is referenced; (v) the forward price of the underlying asset corresponding to the duration of the option; and (vi) the volatility of the relevant market. In general, the longer the duration of an option the greater the chance it has of becoming “in the money” (i.e., its “strike price” would be below (in the case of a “call option”) or above (in the case of a “put option”) the current market price of the reference asset). Interest rates are a material factor in valuing options because in acquiring an option the investor has the right to buy or sell the reference asset at the “strike price” in the future but without having to invest the capital currently to acquire the reference asset. The strike price determines how much the market value of the reference asset needs to move for the option to become “in-the-money,” the more “distant” the strike price of the option is from the current market price of the reference asset the less valuable the option. Finally, market volatility is an important component of option value because the more volatile the market for the reference asset in question the more likely that any option, irrespective of “strike price,” will become “in-the-money.”

The seller (“writer”) of a put option that is covered (e.g., the writer has a short position in the underlying security) assumes the risk of a loss in the case of an increase in the market price of the underlying security above the sales price (in establishing the short position) of the underlying security plus the premium received, and gives up the opportunity for gain on the underlying security below the exercise price of the option. The seller of an uncovered put option assumes the risk of a decline in the market price of the underlying security below the exercise price of the option. The buyer of a put option assumes the risk of losing its entire investment in the put option. The writer of a call option that is covered (i.e., the writer holds the underlying security) assumes the risk of a decline in the market price of the underlying security below the value of the underlying security less the premium received, and gives up the opportunity for gain on the underlying security above the exercise price of the option. The seller of an uncovered call option assumes the risk of an increase in market price of the underlying asset above the exercise price, which risk is theoretically unlimited. The buyer of a call option assumes the risk of losing its entire investment in the call option. Options may be cash settled, settled by physical delivery, or settled by entering into a closing purchase transaction. In entering into a closing purchase transaction, the client may be subject to the risk of loss to the extent that the premium paid for entering into such closing purchase transaction exceeds the premium received when the option was written.

Even options which ultimately expire worthless may be extremely valuable during their lifetime. In the case of liquid, traded options, traders have the ability to recognize short-term profit, reduce losses, and trade out of positions against which they believe that the market is moving. Although the Firm generally intends to acquire options positions it considers to be liquid, there can be no assurance that certain of the positions held by the client will not become illiquid or cease being actively traded. This means that on an ongoing basis, while the client will not realize profits from movements in the foregoing market components which increase the value of its options, the net asset value and its profits will be subject to all of the fluctuations resulting from the foregoing factors. Due to the complexity of their pricing and limited duration, the market in options is typically materially less liquid than the market in the underlying reference asset.

The Firm may trade futures for hedging purposes, as well as to speculate on price movements in various asset classes. Futures are often inherently highly leveraged and can become illiquid due to exchange-imposed price fluctuation limits. The Firm may also trade forward contracts for hedging or speculative purposes. The insolvency or bankruptcy of a forward counterparty could subject the client to the loss of its entire deposit with such counterparty. The forward markets are well-established. However, it is impossible to predict how, given certain unusual market scenarios, the unregulated nature of these markets might affect clients.

At times, the Firm may invest a portion of clients’ assets in securities that may be traded at a low volume and that are relatively illiquid or that may cease to be traded after the investment is made. These may include, among

others, securities of closed-end funds, secured debt securities, interests in other private investment funds and other privately placed securities. In such cases, if there were an event of extreme market activity, Deuterium may not be able to liquidate these investments promptly if needed. In addition, the sales of these securities could depress their market value, thereby reducing a clients' profitability or increasing losses. In these circumstances, the investment could materially decrease or, conversely, miss out on a potentially material gain. Privately placed or "restricted" securities may be subject to substantial holding periods or may not be traded in public markets. Restricted securities generally are difficult or impossible to sell at prices comparable to the market prices of similar securities that are publicly traded. No assurance can be given that any restricted securities will be eligible to be traded on a public market even if a public market for securities of the same class were to exist or develop. It is highly speculative as to whether and when an issuer will be able to register its securities so that they become eligible for trading in public markets.

Clients may invest indirectly in real estate by investing in an investment fund that invests in real estate. These investments are subject to the same, numerous risks associated with real estate investments, including, but not limited to, adverse changes in general economic and local market conditions, adverse developments in employment or local economic performance, changes in supply of or demand for similar or competing properties, unfavorable changes in applicable taxes, governmental regulations or interest rates, and lack of available financing. The real estate funds in which clients may invest may improve and operate real properties as well as buying and selling them, and accordingly those investments are also subject to risks associated with improving and operating property, such as the inability to maintain rental rates and occupancy levels in highly competitive markets, unavailability or increases in the cost of insurance, unexpected increases in the costs of refurbishment and improvements, unfavorable rent control laws, and costs of complying with environmental regulations.

While the use of margin borrowing can substantially improve returns, it may also increase overall portfolio risk. Margin transactions are generally affected using capital borrowed from a Financial Institution, which is secured by a client's holdings. Under certain circumstances, a lending Financial Institution may demand an increase in the underlying collateral. If the client is unable to provide the additional collateral, the Financial Institution may liquidate account assets to satisfy the client's outstanding obligations, which could have extremely adverse consequences. In addition, fluctuations in the amount of a client's borrowings and the corresponding interest rates may have a significant effect on the profitability and stability of a client's portfolio.

The use of separate account managers to manage separate accounts for clients raises additional risks. These managers have investment discretion over the assets in those accounts. Deuterium monitors, on an ongoing basis, quantitative factors including performance, correlations, volatility and other statistical measures relative to benchmarks, and qualitative factors including investment process, manager and research team quality, management continuity, business viability, operational and trading competence, firm/team culture, and incentive structures. Nevertheless, Deuterium does not monitor individual securities transactions of the separate account managers from the standpoint of investment suitability, and our overall assessment of managers does not include visibility into their client portfolios and daily operations. Therefore, in addition to the quantitative and qualitative factors cited above, the Firm must rely in large part on the accuracy of information third parties report on individually managed accounts to assess separate account managers' ongoing ability to implement their investment strategies. Deuterium may fail to select the best separate account managers for a client's investment needs.

While all of the risks cannot be adequately explained in this brochure, Deuterium manages assets on behalf of sophisticated investors. These entities and individuals generally have a well-founded understanding of the markets and the types of risks inherent with the Firm's strategies. Additionally, clients that invest in private placements and co-investments will receive a more complete description, in the respective offering documents, of the risks implicit with those investments.

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 and disruption to hardware and software systems, loss or corruption of data, and/or misappropriation of confidential information. The Firm increasingly relies upon information and technology systems to conduct its business. Such systems might, in some circumstances, be subject to cybersecurity incidents or similar events that could potentially result in damage or interruption to these systems, unauthorized access to sensitive transactional and personal information, intentional misappropriation, corruption or destruction of data, or operational disruption. Cybersecurity incidents could potentially occur, and might in some circumstances result in the failure to maintain the security, confidentiality or privacy of sensitive data. Cybersecurity incidents experienced by third party vendors or service providers may indirectly affect the Firm's clients. Cybersecurity risks can disrupt the ability to engage in transactional business, cause direct financial loss and affect the value of assets in which clients invest, harm the Firm's reputation, lead to violations of applicable laws, result in ongoing prevention, risk management and compliance costs, and otherwise affect business and financial performance.

## **Item 9. Disciplinary Information**

Deuterium has not been involved in any legal or disciplinary event that is material to a client's evaluation of its advisory business or the integrity of management.

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

### UK Authorization

The principal of Deuterium is an authorized representative of a UK Financial Conduct Authority registered firm.

### Related Entities

Deuterium is under commonality of control and ownership with Empirical Prospecting Company Limited, an algorithmic software and data analytics company.

## **Item 11. Code of Ethics**

Deuterium and persons associated with the Firm ("Associated Persons") are permitted to buy or sell securities that it also recommends to clients consistent with Deuterium's policies and procedures. The Firm has adopted a code of ethics that sets forth the standards of conduct expected of its Associated Persons and requires compliance with applicable securities laws ("Code of Ethics"). The Code of Ethics contains written policies reasonably designed to prevent the unlawful use of material, non-public information by Deuterium or any of its Associated Persons. The Code of Ethics also requires that certain of Deuterium's personnel (called "Access Persons") report their personal securities holdings and transactions and obtain pre-approval of certain investments, such as initial public offerings and limited offerings.

Unless specifically permitted in Deuterium's Code of Ethics, none of Deuterium's Access Persons may effect, for themselves or for their immediate family (i.e., spouse, minor children, and adults living in the same

household as the Access Person), any transactions in a security which is being actively purchased or sold, or is being considered for purchase or sale, on behalf of any of Deuterium's clients.

When Deuterium is purchasing or considering for purchase any security on behalf of a client, no Access Person may affect a transaction in that security prior to the completion of the purchase or until a decision has been made not to purchase such security. Similarly, when Deuterium is selling or considering the sale of any security on behalf of a client, no Access Person may affect a transaction in that security prior to the completion of the sale or until a decision has been made not to sell such security. These requirements are not applicable to: (i) direct obligations of the Government of the United States; (ii) money market instruments, bankers' acceptances, bank certificates of deposit, commercial paper, repurchase agreements and other high quality short-term debt instruments, including repurchase agreements; (iii) shares issued by mutual funds or money market funds; and (iv) shares issued by unit investment trusts that are invested exclusively in one or more mutual funds.

Clients and prospective clients may contact Deuterium to request a copy of its Code of Ethics.

## **Item 12. Brokerage Practices**

For family office clients, Deuterium may recommend that clients utilize the custody, brokerage and clearing services of a particular Financial Institution; however, Deuterium may also work with other Financial Institutions, per a client's request. For the UCITS Funds, Deuterium will select the Financial Institutions through which transactions are executed in accordance with its duty to seek best execution, as detailed below. Factors which Deuterium considers in recommending a Financial Institution to clients include their respective financial strength, reputation, execution, pricing, research and service. The commissions and/or transaction fees they charge may be higher or lower than those charged by other Financial Institutions.

The commissions paid by the Firm's clients comply with Deuterium's duty to obtain "best execution." Clients may pay commissions that are higher than what another qualified Financial Institution might charge to affect the same transaction, where Deuterium determines that the commissions are reasonable in relation to the value of the brokerage and research services received. In seeking best execution, the determinative factor is not the lowest possible cost, but whether the transaction represents the best qualitative execution, taking into consideration the full range of a Financial Institution's services, including among others, the value of research provided, execution capability, commission rates, and responsiveness. Deuterium seeks competitive rates but may not necessarily obtain the lowest possible commission rates for client transactions.

Deuterium periodically and systematically reviews its policies and procedures regarding its recommendation of Financial Institutions, in light of its duty to obtain best execution.

### Client Directed Brokerage

The client may direct Deuterium, in writing, to use a particular Financial Institution to execute some or all transactions for the client. In that case, the client will negotiate terms and arrangements for the account with that Financial Institution, and Deuterium will not seek better execution services or prices from other Financial Institutions or be able to "batch" client transactions for execution through other Financial Institutions with orders from other accounts managed by Deuterium (as described below). As a result, the client may pay higher commissions or other transaction costs or greater spreads, or receive less favorable net prices, on transactions for the account than would otherwise be the case. Subject to its duty of best execution, Deuterium may decline a client's request to direct brokerage if, in Deuterium's sole discretion, such directed brokerage arrangements would result in additional operational difficulties.

### Trade Aggregation and Allocation

Transactions for each client may be affected independently, or Deuterium may decide to purchase or sell the same securities for several clients at approximately the same time. Deuterium may (but is not obligated to) combine or “batch” such orders to obtain best execution, to negotiate more favorable commission rates, or to allocate equitably among Deuterium’s clients differences in prices and commissions or other transaction costs that might have been realized, had such orders been placed independently. Under this procedure, transactions will generally be averaged for price and allocated among Deuterium’s clients pro rata to the purchase and sale orders placed for each client on any given day. To the extent that Deuterium determines to aggregate client orders for the purchase or sale of securities, including securities in which Deuterium’s Associated Persons may invest, Deuterium shall generally do so in accordance with applicable rules promulgated under the Investment Advisers Act of 1940, as amended, and no-action guidance provided by the staff of the SEC. Deuterium shall not receive any additional compensation or remuneration as a result of the aggregation. In the event that Deuterium determines that a prorated allocation is not appropriate under the particular circumstances, the allocation will be made based upon other relevant factors, which may include: (i) when only a small percentage of the order is executed, shares may be allocated to the account (or a subset of accounts) with the smallest order or the smallest position or to an account that is out of line with respect to security or sector weightings relative to other portfolios, with similar mandates; (ii) allocations may be given to one account (or a subset of accounts) when those accounts have limitations in their investment guidelines which prohibit them from purchasing other securities which are expected to produce similar investment results and can be purchased by other accounts; (iii) if an account (or subset of accounts) reaches an investment guideline limit or other restriction and cannot participate in an allocation, shares may be reallocated to other accounts (this may be due to unforeseen changes in an account’s assets after an order is placed); (iv) in cases when a pro rata allocation of a potential execution would result in a de minimis allocation in one or more accounts, Deuterium may exclude the account(s) from the allocation; the transactions may be executed on a pro rata basis among the remaining accounts; or (v) to take into consideration the different tax treatment of the asset if held by various accounts, or (vi) the current and expected illiquidity ratio in accounts, or (vii) whether access to that investment derived from a prior participation by certain accounts in that manager, then a preference may be given to those accounts that facilitated access.

#### Soft Dollar Benefits & Research

The Firm does not receive soft dollar benefits. The Firm does not compensate third parties for research or other related services through order flow and commissions. All such products and services are paid by either Deuterium or through a client’s research account in accordance with the terms of the investment advisory agreement.

### **Item 13. Review of Accounts**

#### Account Reviews

Deuterium monitors the portfolios of its family office clients as part of a continuous and ongoing process. Regular account reviews are typically conducted on a quarterly basis. Deuterium generally seeks to require that each ongoing wealth management client’s financial plan is revisited at least annually. Such financial plan reviews may also be triggered by certain legislation or the occurrence of a specified life event, which would have a material impact on the feasibility of a client’s financial plan and corresponding investment strategy. These reviews are conducted by one of Deuterium’s investment adviser representatives. All investment advisory clients are encouraged to discuss their needs, goals, and objectives with Deuterium and to keep Deuterium informed of any changes thereto.

Deuterium monitors the portfolios of the UCITS Funds on a continuous and ongoing basis and conducts formal reviews on not less than a monthly basis.

#### Account Statements and Portfolio Reporting

Clients are provided with regular summary account statements directly from the Financial Institutions where their assets are custodied, in a manner and frequency consistent with the normal practice of those Financial Institutions. Clients may also receive reports and related materials from Deuterium, including, without limitation:

- Performance reporting across Deuterium-managed and advised upon assets;
- Full balance sheet, including assets not directly managed by the Firm;
- Return attribution,
- Market perspectives and commentary

As applicable, clients should compare the account statements they receive from their custodian(s) with any documentation they receive from Deuterium.

The UCITS Funds' investors will receive account statements and/or other such documentation in accordance with the UCITS Offering Documents.

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

Deuterium does not have any relationship or arrangement where it receives an economic benefit from a third party (non-client) for providing advisory services. In addition, the Firm does not compensate any third parties for client referrals.

#### **Item 15. Custody**

Deuterium does not maintain physical custody of clients' funds or securities. Clients may provide Deuterium with the ability to invoice their custodian for payment of the Firm's advisory fees, which results in a form of constructive custody. In addition, Financial Institutions where client accounts are custodied have agreed to send statements to clients, at least quarterly, indicating all amounts disbursed from their accounts, including the amount of advisory fees paid directly to Deuterium. Clients should carefully review the statements sent directly by the Financial Institutions and compare them to those received from the Firm.

Similarly, Deuterium does not maintain physical or constructive custody of the assets of the UCITS Funds.

#### **Item 16. Investment Discretion**

Deuterium is considered to exercise investment discretion over a client's account if it can affect transactions for the client without first having to seek the client's consent. For discretionary engagements, including the UCITS Funds, the Firm is given this authority through a limited power-of-attorney included in the advisory agreement between Deuterium and the client. Clients may request a limitation on this authority (such as certain securities not to be bought or sold). Deuterium assumes discretion over the security and manager selection process, including the amount, time and price at which transaction are executed, as well as the separate account managers to engage or terminate on a client's behalf.

Additionally, the Firm also provides investment management and advisory services to clients on a non-discretionary basis pursuant to the specific terms of the client agreement. In those situations, Deuterium must either seek the client's approval prior to implementing its recommendations or rely on the client to execute transactions for the account on which it is advising.

### **Item 17. Voting Client Securities**

Deuterium may accept the authority to vote a client's securities (i.e., proxies) on their behalf. The Firm has adopted proxy voting procedures which include many specific examples of voting decisions for the types of proposals that are most frequently presented, including: composition of the board of directors; approval of independent auditors; management and director compensation; anti-takeover mechanisms and related issues; changes to capital structure; corporate and social policy issues; and issues involving mutual funds. Certain issues may also be considered on a case-by-case basis based on the relevant facts and circumstances and more often than not, the Firm will side with management's recommendations.

In situations where there may be a conflict of interest in the voting of proxies due to business or personal relationships that Deuterium maintains with persons having an interest in the outcome of certain votes, the Firm takes appropriate steps to ensure that its proxy voting decisions are made in the best interest of its clients and are not the product of such conflict.

### **Item 18. Financial Information**

Deuterium is not required to disclose any financial information pursuant to this Item due to the following:

- The Firm does not require or solicit the prepayment of more than \$1,200 in fees six months or more in advance;
- The Firm does not have a financial condition that is reasonably likely to impair its ability to meet contractual commitments to clients; and
- The Firm has not been the subject of a bankruptcy petition at any time during the past ten years.