## ITEM 1: COVER PAGE

**Part 2A of Form ADV: Firm Brochure**

**Everstar Asset Management, LLC**
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**Mooresville, NC 21817**
**www.everstareassetmanagement.com**

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**This brochure (the "Brochure") provides information about the qualifications and business practices of Everstar Asset Management LLC ("Everstar", "Advisor", or the "Firm"). If you have any questions about the contents of this brochure, please contact Lee Larson, the Firm's Chief Compliance Officer, at (440) 376-1629 or lee.larson@everstarassetmanagement.com. Additional information about Part 2A Form ADV is available on the SEC's website at https://www.sec.gov/about/forms/formadv-part2.pdf. 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.**

**Any reference to Everstar as a registered investment adviser does not imply a certain level of skill or training.**

**Additional information about Everstar is available on the SEC's website at www.adviserinfo.sec.gov.**

## ITEM 2: MATERIAL CHANGES

Everstar is required to advise clients and prospective clients of any material changes to our Firm Brochure ("Brochure") from the Firm's initial filing or last annual update. The following are changes we have made to Brochure since the Firm's initial filing on September 6, 2023:

- Item 5 has been updated to reflect the Firm's current fee table.

## ITEM 3: TABLE OF CONTENTSU

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## ITEM 4: ADVISORY BUSINESS

### Item 4.A. *General Description of Advisory Firm*

Everstar is a Mooresville, North Carolina-based investment advisory and management firm, established in 2021 and has been registered with the SEC since September 2023. From 2021 through September 2023, the Advisor was registered as an investment advisor with the States of North Carolina, Ohio and Iowa. The principal owner of Everstar is Lee Larson.

Everstar primarily provides investment advisory services to Clients through financial professionals associated with Everstar as Investment Adviser Representatives ("IAR"). Each IAR is required by applicable rules and policies to obtain licenses to recommend specific investment products and services, investments, or models depending on the licenses obtained; they may transact business or respond to inquiries only in the state(s) in which they are appropriately qualified. For more information about each IRA, refer to their Brochure Supplement, which is a separate document that is provided to each Client by Everstar along with this Brochure before or at the time the Client engages Everstar.

Certain IARs have other business interests, as described in their Brochure Supplement, and have established their own legal business entities whose tradenames and logos are used for marketing purposes and do appear on marketing materials or client statements. As of the date of this Brochure, one such tradename exists: Advanced Wealth Strategies or "AWS." For avoidance of doubt, AWS' investment advisory and financial planning products and services are provided through Everstar only. Other business lines, such as insurance services and products, are provided through Advance Wealth Strategies, Inc., which is unaffiliated with Everstar. As such, these services and products are not part of the investment advisory or financial planning services provided by Everstar and are not covered by any agreement between the Client and Everstar. Clients should understand that these businesses are through the IAR's separate legal entities and not Everstar. Please see Item 5.E. and Item 10.C for additional information.

### Item 4.B. *Description of Advisory Services*

Everstar offers and provides tailored investment advisory and management services to individuals, high-net-worth individuals, and families (each a "Wealth Advisory Client" and, collectively, the "Wealth Advisory Clients") and also provides discretionary investment advisory services to Everstar Capital Appreciation Fund, LP ("ECAP" or "Fund") and Everstar AWS Strategic Allocation Fund, LP ("ESAF" or "Fund", collectively with ECAP, the "Funds" and together with the Wealth Advisory Clients and Financial Planning Clients, the "Clients"), privately offered pooled investment vehicles exempt from registration under the Investment Company Act of 1940, as amended.

Each Fund is intended for investment by certain investors (collectively the "Investors" or "Limited Partners" and each an "Investor" or "Limited Partner") that meet the definition of "accredited investor" as defined under Regulation D of the securities Act of 1933, as amended, "qualified clients" as defined under Section 205-3 of the Investment Advisers Act of 1940, as amended (the " U.S. Advisers Act") so as to comply with the exemption under Section 3(c)(1) of the Investment Company Act of 1940 (the "Company Act"), as applicable to each Fund.

From time to time, Everstar recommends that certain of its Wealth Advisory Clients invest in the Funds to the extent that such an investment would be suitable and appropriate for such Client. Such recommendations are subject to certain potential conflicts of interest on the part of Everstar and involve the payment of certain fees and compensation by a Wealth Advisory Client that invests in a Fund. Additional details regarding the Funds are provided in *Item 5: Fees and Compensation* and *Item 10: Other Financial Industry Activities and Affiliations* below.

Lee Larson serves as Everstar's primary portfolio manager (the "Portfolio Manager") and is supported by Fu Yuet and Richard Jakiel in a limited capacity.

Additionally, Everstar may provide financial planning services to its Clients, including tax planning, estate planning, and philanthropic planning ("Financial Planning Clients"). Everstar's financial planning services are customizable depending on each Client' needs and may address any or all of the following areas: personal budgeting, cash flow analysis, income tax and spending analysis, asset allocation, investment consulting regarding investments maintained outside of Everstar, retirement planning, insurance planning, income tax planning, and estate planning.

**Item 4.C.** ***Availability of Customized Services for Individual Clients***

The specific investment advisory and management services provided to each Wealth Advisory Client, including any tailored restrictions which may be negotiated will be described in greater detail in the investment advisory and management agreement and related documentation for the applicable client (the "Advisory Contract"). Each such Advisory Contract is based on each client's individual goals, objectives, time horizon, and risk tolerance. Generally, such services are provided on a discretionary basis, but clients may request restrictions in investing in certain securities or types of securities in accordance with their values and beliefs.

The Firm's investment management and advisory services to each Fund are provided pursuant to the terms of their respective private placement memorandum and/or other offering documents, investment advisory agreement, limited partnership agreement, limited liability company agreement, or other governing documents (collectively, the "Governing Documents"). The Firm may enter into side letters with investors to the Funds to provide them with special terms related to their investment in a Fund, which are not offered to other investors in the Funds.

**Item 4.D.** ***Wrap Fee Programs***

Everstar does not participate in a wrap fee program.

**Item 4.E.** ***Regulatory Assets Under Management***

As of December 31, 2023, Everstar had approximately $131,435,199 in regulatory assets under management, $129,504,522 managed on a discretionary basis and $1,931,677 on a non-discretionary basis.

## ITEM 5: FEES AND COMPENSATION

**Item 5.A.** ***Description of Compensation Arrangements***

The fees paid by the Funds differ from those paid by Wealth Advisory Clients.

Relating to the Funds, Everstar is entitled to receive a monthly management fee at an annual rate equal to 2.0% of the net asset value of the limited partnership interests of the Funds which is calculated and paid in advance on the first business day of each calendar month. The General Partners of the Funds, as defined in *Item 10.C Affiliate Relationships* below, are entitled to receive a performance-based fee in the form of a profit allocation of 20% of net profits generally allocated at the end of each year, subject to a "rolling high water mark.”  Everstar or the General Partner may waive or reduce fees with respect to any Fund Investor at their discretion.

The compensation paid by Wealth Advisory Clients will consist of an investment advisory fee which is based upon assets under management and is separately negotiated with each client. The fees charged are specifically stated in each Wealth Advisory Client’s Advisory Contract.  The following table summarizes the current fee structure for wealth advisory services:

| Total Assets Under Management | Annual Fee* |
|---|---|
| $0 - $499,999 | Up to 1.75% |
| $500,000 - $1 million | Up to 1.50% |
| $1 million - $ 2 million | Up to 1.25% |
| $2 million+ | Up to 1.10% |

*_**Lower fees for comparable services may be available from other sources. Please also note that fees are negotiable.**_

A Wealth Advisory Client that invests in the Funds will bear all management and performance fees charged to the Fund as described above.  While the value of the Wealth Advisory Client’s interest in a Fund will be excluded from such Wealth Advisory Client’s assets under management for purposes of determining investment advisory fees that Everstar charges to such client under its standard asset-based fee schedule referenced above, the management fees and/or performance compensation related to such Wealth Advisory Client’s interest in such  Fund may exceed the fees that would otherwise have been charged to such client in accordance with such standard asset-based fee schedule.  The offering documents and Governing Documents of Fund will include additional details about the amount of and terms applicable to the fees and/or performance compensation charged by the Fund.  To the extent that a Wealth Advisory Client invests in a Fund, Everstar’s related persons (directly or indirectly) benefit from fees and compensation payable to Everstar or its affiliates.  The fees and compensation payable by a Wealth Advisory Client that invests in a Fund are separate and distinct from the fees charged by Everstar to such client.  In addition, in the event that a Wealth Advisory Client invests in a Fund that invests in another investment fund that is unrelated to Everstar, such Wealth Advisory Client will bear multiple levels of fees, performance compensation, costs and expenses depending on the terms of such underlying investment fund.

Financial Planning Clients will generally be charged a one-time fixed fee of $1,500. However, this fee can vary by Client based upon the complexity of the financial plan requested.

**Item 5.B.** ***Manner of Fee Payment***

With respect to the majority of our Wealth Advisory Clients, investment advisory fees are withdrawn directly from the applicable client’s account or accounts, subject to the client’s authorization, and paid quarterly in advance. To the extent fees are not directly withdrawn from a client’s account or accounts, the applicable client will be invoiced. If a Wealth Advisory Client contributes capital to their account, other than its initial capital, on a date other than the first day of a calendar quarter, the account will not be charged a prorated portion of the asset based fee for that calendar quarter with respect to such contribution based on the number of days remaining in that calendar quarter and based on the net market value of the contributed capital on the opening of trading on the date of such contribution.

The Funds’ management fee is charged monthly and directly deducted the Funds’ third-party fund administrator.  The Funds’ performance fee is paid annually.

**Item 5.C.** ***Other Fees Clients May be Charged***

Wealth Advisory Clients are responsible for the payment of all third-party fees (including, but not limited to, custodian fees, brokerage fees, mutual fund fees, transaction fees and management fees or performance compensation paid to underlying private funds in which clients invest).

To the extent Wealth Advisory Clients invest in a Fund affiliated with Everstar, or a third-party private fund or registered fund, such Wealth Advisory Clients are also responsible for the payment of all fees and expenses to the fund's investment adviser or their affiliates as provided in the governing documents of the applicable fund.

The Funds bear all costs and expenses directly related to its investment program, including expenses related to investment research, proxies, underwriting and private placements, brokerage commissions, interest on debit balances or borrowings, custody fees, travel expenses incurred by the Adviser or any member of any advisory committee, and any withholding or transfer taxes imposed on the Funds. The Funds also bears all out-of-pocket costs of the administration of the Funds, including accounting, audit and legal expenses, expenses related to regulatory compliance, costs of any litigation or investigation involving the Funds' activities, costs associated with reporting and providing information to existing and prospective investors, and the costs and expenses associated with meetings of investors, including an annual meeting and formal dinner, if any. Investors in the Funds will be responsible for their pro-rata share of the aforementioned expenses.

Please refer to *Item 12: Brokerage Practices* below which provides additional detail regarding brokerage and custodial relationships.

**Item 5.D.** ***Timing of Fee Payments***

As noted in *Item 5.A: Description of Compensation Arrangements* and Item *5.B: Methods of Fee Payment* above, Everstar's investment advisory fee charged to Wealth Advisory Clients and management fee charged to the Funds are paid in advance of services provided. If a Wealth Advisory Client or Limited Parter terminates before the end of a billing period, fees that are paid in advance will be refunded on a prorated basis, based upon the number of days elapsed in the billing period.

**Item 5.E.** ***Receipt of Compensation for Sales***

**IAR Compensation Based on AUM**. As discussed in *Item 5.A.: Description of Compensation Arrangements*, the total advisory fees paid by a Wealth Advisory Client set forth in their Advisory Contract. Everstar and IARs are compensated via percentages of the Wealth Advisory Client's advisory fee. While the fact that Everstar sharing a portion of the advisory fee with the IAR will never result in more fees paid by the Client, this potentially creates a conflict of interest as Everstar and the IAR are potentially incentivized to place the interest of higher paying Clients over those of lower fee-paying Clients. To mitigate this conflict, Everstar and each IAR are bound by Everstar's Compliance Manual and Code of Ethics, which have been implemented to ensure that each Client is treated fairly and equitably.

**Compensation for the Sale of Insurance Products**. As noted in *Item 4.A. General Description of Advisory Firm,* IARs are permitted to engage in certain approved outside business activities. Certain IARs are also licensed as insurance agents, under applicable state law, and do, from time to time, recommend that Clients purchase commission-based fixed annuities or fixed index annuities, life insurance and/or long-term care products (collectively, "Fixed Insurance Products"). In making recommendations of theses, your IAR is participating in an outside business activity and is acting in the capacity of an insurance agent, not as an IAR.

Everstar is not involved in the offer, recommendation or sale of commission-based Fixed Insurance Products. Everstar does not manage commission-based Fixed Insurance Products, and neither IARs nor Everstar collect Advisory Fees. All Fixed Insurance Products are issued by licensed insurance carriers. Everstar is not affiliated with these insurance carriers. Clients are under no obligation to accept the recommendation of their IAR. Upon entering into a Fixed Insurance Product, Clients will receive a separate contract directly with the insurance carrier. Clients should carefully review the terms and conditions of the Fixed Insurance Product contract and discuss any questions with their insurance agent.

In their capacities as insurance agents, IARs receive commissions and other cash and non-cash compensation for the sale of Fixed Insurance Products to clients. Commissions are paid to the IARs by the insurance carriers based on a percentage of each product sold. Unlike Everstar's annualized asset based fees, commissions are typically (i) paid upfront at the point of sale of the Fixed Insurance Product, (ii) not subject to the fluctuations of the securities markets, and (iii) may continue to be paid if a client subsequently terminates the relationship with the IAR after purchasing the Fixed Insurance Product, subject to the terms and conditions of the product.

In addition to commissions paid by insurance carriers, insurance agents often use the services of one or more insurance marketing organizations and wholesalers ("IMOs") to facilitate their insurance business. Many of Everstar's IARs facilitate their insurance business using an IMO. Whether an IRA utilizes an IMO, your IAR is eligible to receive additional cash and non-cash compensation for selling Fixed Insurance Products to you that is separate and independent of the compensation Everstar and its IARs receive for providing advisory services.

The commissions and other cash and non-cash compensation received by IARs, acting in their capacity as insurance agents, are in addition to the Advisory Fees received by the IARs and Everstar. This presents a conflict of interest because it incentivizes the IAR to sell Fixed Insurance Products to you in addition to advisory services. In addition, it provides an incentive to the IAR to forego providing you with advisory services or recommending the purchase of commission-based Fixed Insurance products if the total compensation for one type of product would be greater than the total compensation for the other type of product. We address the potential for conflicts of interest as they pertain to the IARs by disclosing such relationships here, on individual IAR ADV Part 2B brochures, and in connection with the opening of advisory accounts. In addition, IARs are required to act in a client's best interest in recommending both securities and Fixed Insurance Products under applicable law

**Wealth Advisory Clients Interests in the Funds**. Related persons of Everstar, including the General Partners, may directly or indirectly benefit from the Wealth Advisory Clients being directed into the Funds as discussed in "*Item 5.A: Description of Compensation Arrangements* above and in *Item 10C: Affiliate Relationships* below.

## ITEM 6: PERFORMANCE-BASED FEES AND SIDE-BY-SIDE MANAGEMENT

As stated in *Item 5: Fees and Compensation* above, the Funds' General Partners receive a performance allocation from the Funds. However, these fees are in Section 205(a)(1) of the U.S. Advisers Act and only a client that is a "qualified client" as defined under the Section 205-3 of the U.S. Advisers Act will be charged a performance-based fee.

Performance-based fees, in general, may create an incentive for an adviser or its supervised persons to make investments that are riskier and more speculative than would be the case in the absence of a performance-based fee. Such fee arrangements may also create an incentive to favor higher fee-paying clients over other clients in the allocation of investment opportunities. To address these conflicts of interest, Everstar has implemented policies and procedures designed to ensure that all Clients receive equitable and fair treatment over time with respect to the allocation of investment opportunities.

## ITEM 7: TYPES OF CLIENTS

Everstar provides investment advice and management to the Funds, Wealth Advisory Clients and Financial Planning Clients including high net worth individuals, family accounts, trusts, foundations, family offices and certain institutional accounts.

Everstar intends to restrict the number of Investors in the Funds and will offer interests only through non-public transactions in order to maintain their exclusion from "investment company" status under Section 3(c)1 of the Company Act.

Prospective Investors in the Funds must meet eligibility criteria and are subject to certain withdrawal requirements and limitations. Prospective Investors are encouraged to thoroughly review the Funds' Governing Documents, which set forth all of the terms in detail. Terms for Wealth Advisory Client are generally similar to the Funds, can be negotiated on a case-by-case basis and may differ from those of the Funds.

There is no minimum account size for Wealth Advisory Clients and no minimum investment commitment for Limited Partners.

## ITEM 8: METHODS OF ANALYSIS, INVESTMENT STRATEGIES AND RISK OF LOSS

### Item 8.A. *Methods of Analysis and Investment Strategies Generally*

**Wealth Advisory Clients**. The methods of analysis and investment strategies of Everstar will vary from one Wealth Advisory Client to the next. For each Wealth Advisory Client, Everstar develops an investment policy statement ("IPS") that outlines the Client's objectives, risk tolerance, asset allocations and specifics of our duties. The recommended approach depends on the type of Client, their preferences, investment experience, current financial situation, liquidity needs, and other requirements and factors, and is discussed and agreed upon with the Client before implementation. The Firm meets with each Client to determine their unique portfolio objectives and wealth management needs. Through this process, the Firm works with the Client to develop a specific asset allocation plan.

Generally, in conjunction with the Wealth Advisory Client's objective, Everstar uses proprietary equity and fixed income models for analyzing and evaluating potential securities investments that may incorporate, without limitation, charting analysis, fundamental analysis, technical analysis, and cyclical analysis. Everstar believes that there are five essential steps in evaluating an investment opportunity: idea generation, fundamental research, identification of the catalyst pathway, determination of time-adjusted expected value and position sizing and monitoring.

Everstar generally employs a long-term investment strategy in providing portfolio management. A long-term investment strategy generally means that securities are purchased with the expectation that the value of those securities will grow over a relatively long period of time, generally greater than one year.

**ECAP**. ECAP's investment objective is to achieve meaningful long-term rates of return while minimizing the risk of capital loss. Everstar seeks to achieve this objective primarily by purchasing income producing securities, instruments or assets at prices that are intrinsically lower than Everstar's assessment of their value but may opportunistically employ a wide variety of other strategies to maximize returns. Everstar intends to invest globally in a wide array of well-researched securities and other instruments or assets including equities, fixed income, debt, private loans, preferred stocks, closed end funds, exchange traded funds (ETFs) and derivative securities, including securities or other instruments or assets that may not have a readily ascertainable market value or that may be issued by privately held companies.

Everstar intends to implement a global capital appreciation strategy with portfolio positioning that seeks to maximize the potential for profit while minimizing the risk of capital loss. Please refer to ECAP's Governing Documents for further details on ECAP's strategy.

**ESAF.** ESAF is designed to be a core fund and investment alternative to a traditional asset allocation portfolio sometimes referred to by the percentage of stock owned; for example, a 75/25 portfolio. While Everstar will retain the ability to adjust the overall asset allocation as conditions merit, ESAF anticipates that over an investment cycle it will average an allocation of 75% equities, mostly consisting of global large cap or greater holdings (those with market capitalizations higher than $10 billion). ESAF is constructed to seek to minimize excessive temporary losses known as the ESAF's "drawdown". ESAF will not participate in markets for the sole purpose of providing exposure to assets and will endeavor to minimize actual losses through risk reduction strategies.

ESAF intends to invest the non-equity assets in income producing opportunities, which will be sourced by evaluating opportunities in private and public opportunities along with option writing (selling of put and covered calls on portfolio assets for income). ESAF anticipates reducing equity exposure at certain times due to valuation and potential returns in other asset classes. Cash will rise and fall as a percentage of the portfolio based on such market valuations and the use of such cash for investments. Defensive hedging strategies such as selling calls against assets in the portfolio will seek to reduce risk by limiting downside while the hedges remain in place. In addition, ESAF may seek to achieve the ESAF's investment objective through investments in other investment vehicles.

**Item 8.B and Item 8.C.** ***Material Risks Involved for Everstar's Strategies***

An investment in the Funds is highly speculative and involves a high degree of risk, including the risk of loss of a Limited Partner's entire investment. An investment in the Funds is suitable only for sophisticated investors who fully understand and are capable of evaluating and bearing the risks of an investment in the Funds as a Limited Partner. No guarantee or representation is made that the Funds will achieve its investment objectives or that Limited Partners will receive a return of their capital. Investors in the Funds should read and review the Funds' Governing Documents before making an investment into the Funds.

**RISK OF LOSS**. ALL INVESTMENTS AND INVESTMENT STRATEGIES INVOLVE RISKS, INCLUDING THE RISK THAT A CLIENT MAY LOSE SOME OR ALL OF ITS CAPITAL ATTRIBUTED TO ANY INVESTMENT. ACCORDINGLY, THERE CAN BE NO ASSURANCE THAT CLIENT PORTFOLIOS WILL BE ABLE TO MEET THEIR INVESTMENT OBJECTIVES AND GOALS OR THAT INVESTMENTS WILL NOT LOSE MONEY.

**General Risks**

Regulatory Oversight. The financial services industry generally, and the activities of private investment funds and their managers in particular, are subject to regulatory scrutiny. Such scrutiny exposes the Clients and Everstar to potential liabilities and to legal, compliance and other related costs. Regulatory oversight also imposes administrative burdens on Everstar including, without limitation, implementing policies and procedures. Such burdens can divert Everstar's time, attention and resources from portfolio management activities. In addition, Everstar's officers may have contact in the ordinary course of business with governmental authorities and/or be subjected to responding to questionnaires or examinations. The Clients may also be subject to regulatory inquiries concerning its positions and trading.

Major Public Health Crisis. Clients may incur substantial losses in the event of a major public health crisis such as a pandemic, epidemic or outbreak of a contagious disease. In particular, the recent worldwide outbreak of Coronavirus (or Covid-19) may have an adverse impact on global, national and local economies. As a result, the Client's investments may be adversely impacted by disruptions to commercial activity caused by the outbreak, as well as the volatility in worldwide financial markets following the outbreak. Because it is so difficult to predict the impact of a public health crisis such as the Coronavirus (or any future pandemic, epidemic or outbreak of a contagious disease), the extent of its adverse impact on the Client's performance is uncertain.

Terrorism. Potential terrorist activities may lead to instability and adversely affect the Clients. The continued incidents, and threat, of terrorism and the impact of retaliatory military and other action by certain countries may lead to increased political, economic and financial market instability which could materially adversely affect the Fund and its investments in ways that cannot be predicted at this time. Current turmoil in the Middle East, North Africa, Russia, North Korea and Western and Eastern Europe may migrate beyond those regions and negatively impact domestic and global markets.

Recent Developments in the Financial Services Industry. Recent developments in the U.S. financial markets illustrate that the current environment is one of extraordinary and possibly unprecedented uncertainty for the financial services industry. These developments have heightened the risks associated with the investment activities and operations of hedge funds, including without limitation, those resulting from a substantial reduction in the availability of credit and the increased cost of short-term credit, a decrease in market liquidity and an increased risk of insolvency of prime brokers and other counterparties. In addition, in July of 2010, the Dodd-Frank Wall Street Reform and Consumer Protection Act (the "***Dodd-Frank Act***") was passed which imposed many new requirements and restrictions on the financial services industry that have affected the business, operations and performance of hedge funds, such as increased reporting requirements, limitations on certain trading activity and regulatory oversight by different agencies, such as the creation of the Financial Stability Oversight Counsel. Even with the passage of the Dodd-Frank Act, the implications of its passage for the hedge fund industry as a whole still remain somewhat unclear. The hedge fund industry may continue to be adversely affected by the recent developments in the financial markets in the U.S. and abroad, and any future legal, regulatory, or governmental action and developments in such financial markets and the broader U.S. economy could have an adverse effect on the Fund's business, operations and performance.

The United Kingdom and "Brexit". The European Union (the "EU") currently faces potential issues involving its membership and other structural and geo-political matters, including that one or more countries may abandon the Euro and/or withdraw from the EU. The impact of these actions, especially if they occur in a disorderly fashion, is not clear but could be significant and far-reaching. Following the June 2016 referendum vote in the United Kingdom (the "UK"), the UK has, with effect from December 31, 2020, withdrawn from the EU. The UK and the EU agreed a new trade deal (effective from January 1, 2021) however the full extent of the legal, political and economic impacts resulting from such new trade deal are uncertain. In addition, it is possible that portions of the UK could seek to separate and remain a part of the EU. As a result of the political divisions within the UK, within the EU and between the UK and the EU, and the uncertain consequences of the UK's withdrawal from, and new trade deal with, the EU, the UK and European economies and the broader global economy could be significantly impacted, and may result in increased volatility and illiquidity, and potentially lower economic growth on markets in the UK, Europe and globally, any of which could potentially have an adverse effect on the value of the Funds' investments. The International/Global Funds often invest in UK and European issuers. However, whether or not the Funds invest in securities of issuers located in the UK or Europe or with significant exposure to UK or European issuers or countries, these events could negatively affect the value and liquidity of a Fund investment due to the interconnected nature of the global economy and capital markets.

Limited Participation and Communication by Limited Partners. Limited Partners in the Funds will have no right or power to participate directly in the management or control of the business of the Funds and thus must depend solely on the ability of Everstar ith respect to making investments. In addition, Limited Partners will not have an opportunity to evaluate the specific investments, or the terms of any investment, made by the Funds.

Restrictions on Transferability and Withdrawal. Interests in the Funds will not be registered under the Securities Act or any state securities laws and may not be transferred unless an exemption from registration under applicable federal and state securities laws is available and the consent of the general partner has been obtained. There is no public market for the Fund interests and one is not expected to develop.

Unregistered Offering. In a registered public offering of securities, the SEC or state regulatory authority may review the disclosures, including advertising materials, provided by the issuer and comment upon its compliance with the disclosure requirements of applicable securities laws. Because of the nature of this offering, there are no specific required disclosures (although the anti-fraud provisions of securities laws are still applicable). In addition, in an underwritten public offering, the underwriter will retain separate counsel, and the underwriter and its counsel will perform due diligence on the issuer. While the general partner will perform due diligence on Investments, no party has performed or has been or will be retained to perform due diligence on the Funds, the general partner, or any of its affiliates. Limited Partners must rely on their own knowledge of the market and due diligence in making an informed investment decision.

Investment Company Act and Securities Laws. The Funds are not registered and do not intend to register as investment companies under the Company Act. Consequently, investors in the Funds will not have certain regulatory protections provided to investors in registered investment companies. Among other things, the Company Act generally requires investment companies to have a minimum of 40% independent directors and regulates the relationship between the investment adviser and the investment company. It is anticipated that the Funds will be exempt from such registration in reliance on the exemption from registration contained in Section 3(c)(1) of the Company Act available for issuers that are not making or proposing to make a public offering of securities and whose outstanding securities are beneficially owned by not more than 100 persons. The Funds reserves the right to sell its securities to "knowledgeable employees" (as defined in Rule 3c-5 under the Company Act). The Fund may also rely on any other applicable exemption from registration under the Company Act in addition to or in lieu of the Section 3(c)(1) and Section 3(c)(7) exemptions. The Fund intends to obtain appropriate representations and undertakings in order to assure that the conditions of the relevant exemption(s) are met.

Cybersecurity Risk. With the increased use of technologies such as the Internet to conduct business, Everstar, the Funds and their affiliates are susceptible to operational, information security and related risks. In general, cyber incidents can result from deliberate attacks or unintentional events. Cyberattacks include, but are not limited to, gaining unauthorized access to digital systems (e.g., through "hacking" or malicious software coding) for purposes of misappropriating assets or sensitive information, corrupting data, or causing operational disruption. Cyber-attacks may also be carried out in a manner that does not require gaining unauthorized access, such as causing denial-of-service attacks on websites (i.e., efforts to make network services unavailable to intended users).

## Investment Risks

Market Risk. The profitability of a significant portion of the Client's investment program depends to a great extent upon correctly assessing the future course of the price movements of securities and other investments. There can be no assurance that Everstar will be able to predict accurately these price movements. In addition, it is expected that certain investments in which the Client may invest will have limited liquidity. This lack of liquidity, together with a failure to accurately predict market movements, may adversely affect the ability of Everstar to execute trade orders at desired prices in rapidly moving markets.

Some U.S. exchanges limit fluctuations in certain prices during a single day by imposing what are known as "daily price fluctuation limits" or "daily limits." The existence of "daily price limits" or "daily limits" may reduce liquidity or effectively curtail trading in particular markets. Once the price of a particular contract has increased or decreased by the daily limit, positions in the contract can effectively neither be taken nor liquidated. Contract prices in various investments have occasionally moved the daily limit for several consecutive days with little or no trading. Similar occurrences could prevent the Clients from promptly liquidating unfavorable positions and subject the Clients to substantial losses, which could exceed the margin initially committed to such trades. Daily limits may reduce liquidity, but they do not limit ultimate losses, as such limits apply only on a day-to-day basis. In addition, even if contract prices have not moved the daily limit, the Fund may not be able to execute trades at favorable prices if there is only light trading in the contracts involved.

As part of its emergency powers, an exchange or regulatory authority can suspend or limit trading in a particular investment or commodity interest, order immediate liquidation and settlement of a particular contract, or order that trading in a particular contract be conducted for liquidation only. The possibility also exists that governments may intervene to stabilize or fix exchange rates, restricting or substantially eliminating trading in the affected currencies. With respect to the investment strategy utilized by the Clients, there is always some, and occasionally a significant, degree of market risk.

<u>Competitive Markets</u>. The investments industry in general, and the markets in which Everstar intends to trade, are extremely competitive. In pursuing its trading methods and strategies, Everstar will compete with investment firms, including many of the larger investment advisory and private investment firms, as well as institutional investors and, in certain circumstances, market-makers, banks and broker-dealers. In relative terms, Everstar's Clients have little capital and may have difficulty in competing in markets in which its competitors have substantially greater financial resources, larger research staffs and more trading professionals than the Client have or expects to have in the future. In any given transaction, investment and trading activity by other firms will tend to narrow the spread between the price at which a commodity interest or investment may be purchased by the Clients and the price it expects to receive upon consummation of the transaction.

<u>Market Conditions and Disruptions</u>. Developments in the global financial markets illustrate that the current environment is one of extraordinary and possibly unprecedented uncertainty. In light of market turmoil and the overall weakening of the financial services industry, the Clients, their prime broker(s) and other financial institutions' financial condition may be adversely affected, and they may become subject to legal, regulatory, reputational and other unforeseen risks that could have a material adverse effect on the Client's business and operations. Moreover, market conditions have substantially reduced the availability of credit, which may have a material adverse effect on the Client's ability to achieve its investment objective with respect to any particular investment and/or the Client's entire portfolio, which could have a material adverse effect on the Client's overall return objectives.

General fluctuations in the market prices of securities may affect the value of the investments held by the Clients. Instability in the securities markets may also increase the risks inherent in the Client's investments. The Clients may incur substantial losses in the event of disrupted markets or other extraordinary events in which historical pricing relationships become materially distorted. The risk of loss from pricing distortions is compounded by the fact that in disrupted markets many positions become illiquid, making it difficult or impossible to close out positions against which the markets are moving. Investments may also be subject to catastrophic events and other *force majeure* events, such as fires, earthquakes, adverse weather conditions, pandemic disease or other major health crisis, changes in law and other similar risks, which events could result in the partial or total loss of the investment or significant downtime resulting in loss revenues, among other potentially detrimental effects.

The financing available to the Clients from its banks, dealers and other counterparties is typically reduced in disrupted markets. Such a reduction could require the Fund to sell off into a declining market, which would result in substantial losses to the Clients. Market disruptions may from time to time cause dramatic losses for the Fund, and such events can result in otherwise historically lower-risk strategies performing with unprecedented volatility and risk.

Mutual Funds, ETFs and Other Investment Pools. Everstar may invest client portfolios in mutual funds, ETFs (see Exchange Traded Funds risk factor below) and other investment pools ("pooled investment funds"). Investments in pooled investment funds offer diversification; however, these investments are still subject to risks associated with the markets in which they invest. In addition, pooled investment funds' success will be related to the skills of their particular managers and their performance in managing their funds. Pooled investment funds are also subject to risks due to regulatory restrictions applicable to registered investment companies under the Investment Company Act of 1940, as amended. In addition, pooled investment funds have costs that lower investment returns.

Equities. Everstar will generally invest portions of client assets directly into equity investments, primarily stocks, or into pooled investment funds that invest in the stock market. As noted above, while pooled investment funds have diversified portfolios that may make them less risky than investments in individual securities, funds that invest in stocks and other equity securities are nevertheless subject to the risks of the stock market. These risks include, without limitation, the risks that stock values will decline due to daily fluctuations in the markets, and that stock values will decline over longer periods (e.g., bear markets) due to general market declines in the stock prices for all companies, regardless of any individual security's prospects.

Small and Micro-Cap Stocks. Investments in small and micro-capitalization stocks involve greater risk than is customarily associated with larger, more established companies. These companies often have sales and earnings growth rates that exceed those of large companies. Such growth rates may in turn be reflected in more rapid share price appreciation. However, smaller companies often have limited product lines, markets or financial resources, and they may be dependent upon one-person management. These securities may have limited marketability and may be subject to more abrupt or erratic movements in price than securities of larger companies or the market averages in general.

Foreign Securities. Investments in foreign securities involve certain factors not typically associated with investing in U.S. securities, such as risks relating to (i) currency exchange matters, including fluctuations in the rate of exchange between the U.S. dollar (the currency in which the books of the Fund are maintained) and the various foreign currencies in which the Fund's portfolio securities will be denominated and costs associated with conversion of investment principal and income from one currency into another; (ii) differences between the U.S. and foreign securities markets, including the absence of uniform accounting, auditing and financial reporting standards and practices and disclosure requirements, and less government supervision and regulation; (iii) political, social or economic instability; (iv) imposition of foreign income, withholding or other taxes; and (v) the extension of credit, especially in the case of sovereign debt.

Fixed Income. Everstar may invest portions of client assets directly into fixed income instruments, such as bonds and notes, or may invest in pooled investment funds that invest in bonds and notes. While investing in fixed income instruments, either directly or through pooled investment funds, is generally less volatile than investing in stock (equity) markets, fixed income investments nevertheless are subject to risks. These risks include, without limitation, interest rate risks (risks that changes in interest rates will devalue the investments), credit risks (risks of default by borrowers), or maturity risk (risks that bonds or notes will change value from the time of issuance to maturity).

Exchange Traded Funds (ETFs). Everstar may invest portions of client assets in ETFs. An ETF is an investment fund traded on stock exchanges, similar to stocks. Investing in ETFs carries the risk of capital loss (sometimes up to a 100% loss in the case of a stock holding bankruptcy). Areas of concern include the lack of transparency in products and increasing complexity, conflicts of interest, and the possibility of inadequate regulatory compliance. Precious Metal ETFs (e.g., Gold, Silver, or Palladium Bullion backed "electronic shares" not physical metal) specifically may be negatively impacted by several unique factors, among them (1) large sales by the official sector which owns a significant portion of aggregate world holdings in gold and other precious metals, (2) a significant increase in hedging activities by producers of gold or other precious metals, and (3) a significant change in the attitude of speculators and investors.

Closed-End Funds. Everstar expects to invest in closed-end funds ("CEFs"). CEFs are actively managed mutual funds that trade on an exchange. CEFs differ from standard mutual funds in that CEFs do not redeem their securities at the option of the stockholder. Similar to other exchange traded products, CEFs are subject to market movements and volatility. The value of a CEF can decrease due to movements in the overall financial markets, and changes in interest rate levels can directly impact income generated by a CEF. Other risks to which CEFs are exposed include, but are not limited to, liquidity risk on the secondary market, credit risk, concentration risk and discount risk. If a CEF includes foreign market investments, it will be exposed to the typical foreign market risks, including currency, political and economic risk.

Shares of CEFs that trade in a secondary market frequently trade at a market price that is below their net asset value. This is commonly referred to as "trading at a discount" (this risk is independent of the risk that the net asset value of the CEF's shares will fluctuate and may decline). The resulting risk of loss typically may be greater for initial investors who sell their shares within a relatively short period after completion of the CEF's public offering.

REIT Securities. Everstar may invest portions of client assets in publicly traded REITs. Investments in REITs are subject to risks similar to those of direct investments in real estate and the real estate industry in general. These include risks related to general and local economic conditions, possible lack of availability of financing, and changes in interest rates or property values. The value of interests in a REIT may be affected by, among other factors, changes in the value of the underlying properties, defaults by borrowers or tenants, market saturation, decreases in market rates for rents, and other economic, political, or regulatory matters affecting the real estate industry generally. REITs depend upon specialized management skills, may have less trading volume in their securities, and may be subject to more abrupt or erratic price movements than the overall securities markets. REITs are also subject to the risk of failing to qualify for favorable tax treatment under the Internal Revenue Code.

Options. Everstar may invest portions of client assets into options, including purchasing or writing put and call options. Investments in options involve risks different from, or possibly greater than, the risks associated with investing directly in securities and other traditional investments. These risks include risk: (i) that the counterparty to a transaction may not fulfill its contractual obligations; (ii) of mispricing or improper valuation; and (iii) that changes in the value of the option may not correlate perfectly with the underlying asset, rate or index. Option prices are highly volatile and may fluctuate substantially during a short period of time. Such prices are influenced by numerous factors that affect the markets, including, but not limited to: government programs and policies; national and international political and economic events, changes in interest rates, inflation and deflation and changes in supply and demand relationships. It is possible that certain options might be difficult to purchase or sell, possibly preventing from executing positions at an advantageous time or price, or possibly requiring disposal of other investments at unfavorable times or prices in order to satisfy a portfolio's other obligations.

Derivatives. Derivative instruments, or "derivatives," include futures, options, swaps, structured securities, warrants and other instruments and contracts that are derived from, or the value of which is related to, one or more underlying securities, financial benchmarks, currencies or indices. Derivatives allow an investor to hedge or speculate upon the price movements of a particular security, financial benchmark currency or index at a fraction of the cost of investing in the underlying asset. The value of a derivative depends largely upon price movements in the underlying asset. Therefore, many of the risks applicable to trading the underlying asset are also applicable to derivatives of such asset. However, there are a number of other risks associated with derivatives trading. For example, because many derivatives are "leveraged," and thus provide significantly more market exposure than the money paid or deposited when the transaction is entered into, a relatively small adverse market movement can not only result in the loss of the entire investment but may also expose the Fund to the possibility of a loss exceeding the original amount invested. Derivatives may also expose investors to liquidity risk, as there may not be a liquid market within which to close or dispose of outstanding derivatives contracts, and to counterparty risk. The counterparty risk lies with each party with whom the Fund contracts for the purpose of making derivative investments (the "Counterparty"). In the event of the Counterparty's default, the Fund will only rank as an unsecured creditor and risks the loss of all or a portion of the amounts it is contractually entitled to receive.

Hedging Transactions. Everstar may utilize a variety of financial instruments, such as short sales, options, swaps, caps and floors, and futures and forward contracts and similar derivatives, both for investment purposes and for risk management purposes. While Everstar may enter into hedging transactions to seek to reduce risk, such transactions may not be fully effective in mitigating the risks in all market environments or against all types of risk (including unidentified or unanticipated risks), thereby incurring losses to the Clients. In addition, such hedging transactions may result in a poorer overall performance for the Clients than if it had not engaged in any such hedging transactions. Moreover, it should be noted that (i) Everstar may determine not to hedge against or may not anticipate certain risks and (ii) Clients will always be exposed to certain risks that cannot be hedged, such as credit risk (relating both to particular securities and counterparties) Private Funds. Private funds (including hedge funds, private equity funds, hybrid funds and funds of funds) often engage in leveraging and other speculative investment practices that may increase the risk of investment loss; can be highly illiquid; are not required to provide periodic pricing or valuation information to investors; may involve complex tax structures and delays in distributing important tax information; are not subject to the same regulatory requirements as mutual funds; often charge high fees or performance compensation; often pass through substantial costs and expenses to investors; and may invest in risky securities or engage in other risky strategies. Further risks and terms associated with underlying private funds in which clients invest may be found in such private funds' offering materials, which clients should carefully review prior to making any investment decision regarding the private fund.

Funds of Funds. Funds of funds often incur multiple levels of fees, performance compensation, costs, and expenses, in addition to the fees charged by Everstar, because investors in such funds of funds typically, directly at the fund of funds level and indirectly at the underlying funds level, bear management fees, performance compensation, expenses, costs and taxes of the fund of funds and the underlying funds (at both levels). As a result, investors in a fund of funds will pay higher expenses than they would if such investors were invested directly in the underlying funds. Accordingly, the rate of return on an investment in a fund of funds may be lower than the rate of return on a direct investment in the underlying funds.

Private Placements. Privately offered securities including private placements into private funds, carry a substantial risk as they are subject to less regulation that publicly offered securities, the market to resell these assets under applicable securities laws may be illiquid, due to restrictions, and liquidation may be taken at a substantial discount to the underlying value or result in the entire loss of the value of such assets.

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**IN THE COURSE OF CREATING AND MANAGING A CLIENT'S INVESTMENT PORTFOLIO, EVERSTAR BELIEVE IT IS IMPORTANT FOR CLIENTS TO UNDERSTAND AND EVALUATE THE RISKS SET FORTH IN THIS SECTION, AS PART OF THEIR OVERALL APPROACH TO SETTING REALISTIC INVESTMENT OBJECTIVES.**

## ITEM 9: DISCIPLINARY INFORMATION

There are no legal or disciplinary events that are material to an evaluation of Everstar's advisory services or the integrity of its management.

## ITEM 10: OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS

**Item 10.A.** ***Broker-Dealer Activities***

Everstar is not registered, and does not have an application pending to register, as a broker-dealer or registered representative of a broker-dealer.

**Item 10.B.** ***Commodity or Futures Industry Affiliations***

Neither Everstar nor any of its management persons are registered, or have an application pending to register, as a futures commission merchant, commodity pool operator, commodity trading advisor, or an associated person of the foregoing entities with the Commodity Futures Trading Commission ("CFTC"). However, the Funds are exempt pursuant to CFTC Regulation 4.13(a)3 and as a result, Everstar is deemed to be an exempt Commodity Pool Operator with the CFTC.

**Item 10.C.** ***Affiliate Relationships***

Mr. Larson serves on the board of directors/managers of 27 Software U.S. Inc. d/b/a DXterity Solutions, I2 Pure Inc., Craveworthy Brands, LLC and Beacon Health Benefits Inc. (for which he also serves as chairman) and is compensated for such service. Each of the aforementioned companies are private (non-publicly registered). Everstar never recommends that clients invest, or solicits clients to invest, in the securities of these companies. There may be situations where a Wealth Advisory Client or a Limited Partner is interested in making a private or alternative investment in a company such as those on which Mr. Larson sits on the board of directors. If a client requests, Mr. Larson will introduce the client to the executives of these companies but will not receive any advisory fees should the client choose to invest. Furthermore, clients should be aware that, though Everstar will not charge advisory fees with respect to any investment in these companies, Mr. Larson may indirectly benefit from such investment as a director (for example, the capital contributed to the company could increase the value of Mr. Larson's compensation). As a result, clients investing in these companies face the risk that Mr. Larson is incentivized to facilitate such investment. As noted above, however, Everstar mitigates this risk by: (1) never recommending such investments (i.e., such investment is limited to situation where the client has expressed interest) and (2) fully disclosing to interested clients that Mr. Larson may benefit from such investment.

Everstar AWS Strategic Allocation Fund GP, LLC ("ESAF GP") is the general partner to Everstar AWS Strategic Allocation Fund, LP. Lee Larson and Douglas Marion are the principal owners of ESAF GP. Everstar Capital Appreciation GP, LLC ("ECAP GP") is the general partner to Everstar Capital Appreciation Fund, LP. Lee Larson is the principal owner of ECAP GP. ESAF GP and ECAP GP are collectively referred to herein as the "General Partners." Performance-based fees, in general, may create an incentive for an adviser or its supervised persons to make investments that are riskier and more speculative than would be the case in the absence of a performance-based fee. Such fee arrangements may also create an incentive to favor higher fee-paying Clients/Interest over other Clients in the allocation of investment opportunities. To address these conflicts of interest, Everstar has implemented policies and procedures designed to ensure that all of their advisory clients receive equitable and fair treatment over time with respect to the allocation of investment opportunities.

As discussed in *Item 4: Advisory Business* and *Item 5: Fees and Compensation* above, the Funds are recommended to the Wealth Advisory Clients for whom such an investment would be suitable and appropriate. When Everstar recommends that a Wealth Advisory Client invest in Fund, this creates a potential conflict of interest in that the Everstar has an incentive to recommend the Funds (rather than an unaffiliated private fund) in order to generate management fees, performance compensation or other fees charged to Fund Investors. While Wealth Advisory Clients are never charged an advisory fee on their interests in the Funds, fees and compensation may materially benefit Everstar's related persons, including the General Partners, who have a direct or indirect interest in such fees and compensation through ownership interests in Everstar. Notwithstanding the foregoing, the Everstar's Code of Ethics prohibits Everstar and its personnel from putting their interests ahead of the interests of Clients. Any Wealth Advisory Client considering an investment in the Funds should review the Funds' Governing Documents for the specific risks and potential conflicts of interests associated with an investment in such Fund.

As discussed in *Item 4A: Description of Advisory Firm* and *Item 5E: Receipt of Compensation of Sales* above, certain IARs of Everstar also provided insurance services through Advance Wealth Strategies, Inc. For avoidance of doubt, other than sharing certain employees and office spaces, Everstar and Advance Wealth Strategies, Inc. are not affiliated in any manner, including through ownership or common control. From time to time, Everstar IARs may refer Advisory Clients to Advance Wealth Strategies, Inc. in the event the Advisory Client has expressed interest certain insurance products or services. For these referrals, Everstar IARs have received referral fee and/or commission splits. Such referral arrangements may incentivize Everstar IARs to recommend Advance Wealth Strategies, Inc.'s services as a means of generating additional sources of income. Notwithstanding the foregoing, the Everstar's Code of Ethics prohibits Everstar and its personnel from putting their interests ahead of the interests of their Clients. Additionally, these referral arrangements do not result in additional fees paid by the Wealth Advisory Client.

### Item 10.D. *Investment Adviser Recommendations*

Not applicable. Everstar and its supervised persons do not recommend or receive compensation for the selection of other investment advisers for Fund investors.

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## ITEM 11: CODE OF ETHICS, PARTICIPATION OR INTEREST IN CLIENT TRANSACTIONS AND PERSONAL TRADING

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

In connection with its registration, Everstar will implement a Code of Ethics for all "supervised persons" of the firm describing its high standard of business conduct, and fiduciary duty to its clients. The Code of Ethics will include provisions relating to the standards of business conduct required of a supervised person, personal securities trading procedures, and reporting of violations of the Code of Ethics, among other things. All supervised persons will be required to acknowledge the terms of the Code of Ethics annually, or as amended. A copy of the Code of Ethics may be obtained from its Chief Compliance Officer.

Supervised persons of Everstar will be required to follow the Code of Ethics in connection with their personal trading activities. Subject to satisfying this policy and applicable laws, supervised persons of Everstar (i.e., the Portfolio Managers, any employees, and other subject to our supervision and control) and its affiliates may be permitted to trade for their own accounts and participate in transactions involving securities that are purchased for clients. The Code of Ethics is designed to assure that the personal transactions, activities, and interests of the employees of Everstar will not interfere with (i) making decisions in the best interest of the clients and (ii) implementing such decisions while at the same time allowing employees to invest for their own accounts. Nonetheless, because the Code of Ethics in some circumstances would permit employees to invest, directly or indirectly, in the same securities as the clients, there is a possibility that employees might benefit from market activity by a client in a security held by an employee. Employee trading will be regularly monitored under the Code of Ethics, in an effort to prevent conflicts of interest between Everstar and its clients.

**Item 11.B.** ***Participation or Interest in Client Transactions***

As a matter of policy, Everstar generally does not cause one client to effect transactions in which such client purchases securities or other instruments from, or sells securities or other instruments to, another client (i.e., cross trades) or to Everstar or its principals or affiliates (i.e., principal trades), or in which Everstar or one of its affiliates acts as broker for both the client and the other party to the transaction (i.e., agency cross transactions).

**Item 11.C.** ***Related Person Transactions***

Everstar's policies and procedures prohibit its Employees and related persons from trading ahead of Clients in the same instruments that the Firm buys or sells for Client accounts. However, there may be circumstances in which Everstar, its Employees and/or related persons have holdings in the same instruments that Everstar buys or sells for Client accounts, and it or they may own securities, or options on securities, of issuers whose securities are subsequently bought for Client accounts because of Everstar's recommendations regarding a particular security. Everstar's policy as to such transactions is that neither Everstar nor any of its Employees or related persons are to benefit from price movements that may be caused by transactions for Client accounts or otherwise. Everstar addresses this conflict by requiring Employees to sign and adhere to the Firm's Code of Ethics and to report personal securities holdings and transactions to Everstar.

**Item 11.D Trading Securities At/Around the Same Time as Clients' Securities**

As discussed above, from time to time, Everstar, its Employees, or related persons of Everstar may buy or sell securities for themselves that Everstar also recommends to the Client. Everstar will always document any transactions that could be construed as conflicts of interest and will always transact Client business before the business of its Employees and/or related persons when similar securities are being bought or sold.

## ITEM 12: BROKERAGE PRACTICES

**Item 12.A – Factors used to Select or Recommend Broker-Dealers**

Everstar will always have discretion as to the placement of brokerage (and accordingly, the commission rates paid). In selecting brokers to effect portfolio transactions, the Everstar considers such factors as price, quality of execution, expertise in particular markets, the ability of the brokers to effect the transactions, the brokers' facilities, reliability, reputation, experience, financial responsibility in particular markets, familiarity both with investment practices generally and techniques employed by clients and certain brokerage or research services ("soft dollar items") provided by such brokers and clearing and settlement capabilities, subject at all times to principles of best execution, in accordance with the Firm's policies and procedures. In selecting broker/dealers to execute transactions, the Firm need not solicit competitive bids and does not have an obligation to seek the lowest available commission cost. Everstar believes that the broker-dealers that it recommends provide competitive transaction and custody costs, helping clients to eliminate or control costs and optimize the custodial structure to the benefit of account holders. When possible, Everstar seeks to pre-negotiate preferred terms for its clients providing clients with the benefits associated with the economy of scale and custodial knowledge of the firm.

Certain brokers utilized by Everstar may provide general assistance to the Firm, including, but not limited to technical support and consulting service. In selecting a broker, Everstar may consider the broker's general assistance and consulting services. To the extent Everstar would otherwise be obligated to pay for such assistance, it has a conflict of interest in considering those services when selecting a broker.

**Item 12.A.1.** ***Research and Other Soft Dollar Benefits***

Everstar does effect transactions with broker-dealers who provide research services (collectively, "soft-dollar items") to Everstar that assist the Firm in making investment and trading decisions on behalf of its Clients. Within the last fiscal year, Everstar used "soft-dollars" to receive broker-dealer research reports, company financial data and economic data. The negotiated commissions paid to broker-dealers supplying soft-dollar items may not represent the lowest obtainable commission rates. In any such arrangement, the amount of the commission paid must be reasonable in relation to the value of the brokerage and soft-dollar items provided by the broker-dealer, viewed in terms of either the particular transaction or Everstar's overall responsibilities with respect to its Clients. Everstar intends to comply with the soft-dollar "safe harbor' afforded by Section 28(e) under the 34 Act.

When the Firm uses Client brokerage commissions to obtain soft-dollar items, it receives a benefit because it does not have to produce or pay for such soft-dollar items. However, Everstar believes that such soft dollar items may provide the Clients with benefits by supplementing the research and services otherwise available to the Clients. In addition, the research and other benefits resulting from a brokerage relationship benefit all Client accounts or Everstar's operations as a whole, including any Client accounts that direct the Firm to use a broker that does not provide soft dollar benefits.

Everstar may have an incentive to select or recommend a broker-dealer based on its interest in receiving the soft-dollar items, rather than on the Client's interest in receiving most favorable execution. Everstar periodically reviews the execution performance of its brokers to ensure that any potential conflicts of interests are resolved.

To the extent that the Firm does engage in such "soft dollar" arrangements, the Client may be charged a brokerage commission in excess of that which another broker might charge for effecting the same transaction if Everstar determines in good faith that such commission is reasonable in relation to the value of the brokerage, research, other services and soft dollar relationships provided by that broker, viewed in terms of either the specific transaction or the Firm's overall responsibilities to the portfolios over which Everstar exercises investment authority.

Soft-dollar items, whether provided directly or indirectly, may be utilized for the benefit of Everstar's and its affiliates' other accounts. Soft-dollar items are not limited to those Clients who may have generated a particular benefit although certain soft dollar allocations are connected to particular clients or groups of clients. Soft dollar benefits are not proportionally allocated to any accounts that may generate different amounts of the soft dollar benefits. Everstar may receive soft dollar credits based on principal, as well as agency, securities transactions with brokerage firms.

A broker from which Everstar obtains soft dollar services generally establishes "credits" based on past transactional business (including markups and markdowns on principal transactions), which may be used to pay for specified expenses. In some cases the process is less formal and a broker simply may suggest a level of future business that would fully compensate the broker for services or products it provides. Everstar monitors the soft dollar services provided to ensure that appropriate transactions are executed with a soft dollar provider.

**Item 12.A.2.** ***Brokerage for Client Referrals***

Everstar does not participate in selecting or recommending brokers or dealers in exchange for client referrals. Everstar may receive referrals in the future and if it does it will appropriately amend this Brochure.

**Item 12.A.3.** ***Directed Brokerage***

Everstar does not accept directed brokerage arrangements. Securities transactions are executed by brokers selected by the Firm in its discretion and without the consent of the Clients or Fund Investors.

**Item 12.B.** ***Aggregation and Allocation***

Everstar may (but is not required to) combine orders on behalf of one Client account with orders for other Client accounts for which it or its principals have trading authority, or in which it or its principals have an economic interest. When it does, Everstar will generally allocate the securities or proceeds arising out of those transactions (and the related transaction expenses) on an average price basis among the various participants. Everstar believes combining orders in this way will, over time, be advantageous to all participants. However, the average price could be less advantageous to a Client than if that Client had been the only account effecting the transaction or had completed its transaction before the other participants. Because of Everstar's relationship to the Clients it manages by virtue of its position as an investment manager, there may be circumstances in which transactions for those entities may not, under certain laws, regulations and internal policies, be combined with those of some of Everstar's and its affiliates' other Clients, which may result in less advantageous execution for those Clients.

Everstar may place orders for the same security for different Clients at different times and in different relative amounts due to differences in investment objectives, cash availability, size of order and practicability of participating in "block" transactions. The level of participation by different Clients in the same security may also be dependent upon other factors relating to the suitability of the security for the particular Client.

In addition, Everstar and/or its related persons or Clients may buy or sell specific securities for its or their own account that are not deemed appropriate for Client accounts at the time, based on personal investment considerations that differ from the considerations on which decisions as to investments in client accounts are made. Where execution opportunities for a particular security are limited, Everstar attempts in good faith to allocate such opportunities among Clients in a manner that, over time, is equitable to all clients.

## ITEM 13: REVIEW OF ACCOUNTS

**Item 13.A. and 13.B.** ***Review of Accounts***

Wealth Advisory Client investments and portfolios are reviewed by the Portfolio Manager on a minimum of a quarterly basis to evaluate performance and to monitor for any changes in the assumptions and objectives underlying Everstar's investment decision. The Portfolio Manager is responsible for reviewing the Fund's investment portfolio. The Portfolio Manager will conduct periodic reviews no less than monthly of all investments held by the Fund as deemed appropriate. Performance, security positions and other potential investments are some of the matters that may be reviewed. Investments may be subject to more frequent or detailed reviews when deemed appropriate due to developments with investments or in response to broader market circumstances.

**Item 13.C.** ***Client Reports***

Each Wealth Advisory Client will receive, at least quarterly from the custodian, a written report that details the client's account including assets held and asset value which will come from the custodian.

Investors in each Fund will receive, among other things, a copy of audited financial statements of the relevant Fund within 120 days after the fiscal year end of such Fund. In addition, investors in each Fund will typically receive written reports containing unaudited summary financial information regarding their Fund investments monthly.

## ITEM 14: CLIENT REFERRALS AND OTHER COMPENSATION

### Item 14.A. *Other Compensation*

Everstar does not receive any economic benefit, directly or indirectly from any third party for advice rendered to the Client.

### Item 14.B. *Client Referrals*

Currently, neither Everstar nor its related persons directly or indirectly compensates any person who is not advisory personnel for Client referrals. If in the future Everstar enters into such arrangements, the arrangement will comply with the SEC's Marketing Rule, Rule 206(4)-1 of the U.S. Advisers Act, and this Brochure will be appropriately amended.

## ITEM 15: CUSTODY

Rule 206(4)-2 promulgated under the Advisers Act, as amended (the "Custody Rule") imposes certain obligations on registered investment advisers that have custody or possession of any funds or securities in which any client has any beneficial interest. An investment adviser is deemed to have custody or possession of client funds or securities if the adviser directly or indirectly holds client funds or securities or has the authority to obtain possession of them (regardless of whether the exercise of that authority or ability would be lawful). The Custody Rule imposes on advisers with custody of clients' funds or securities certain requirements concerning reports to such clients (including underlying investors) and surprise examinations relating to such clients' funds or securities.

**Wealth Advisory Client Accounts**. Because Everstar has, or may have, the authority to directly deduct fees from Wealth Advisory Client accounts, Everstar is deemed to have limited or "soft" custody over Wealth Advisory Client funds and securities. However, all client funds and securities are held with qualified custodians that provide account statements, at least quarterly, directly to Wealth Advisory Clients at their address of record or email address if a client so elects.

**ALL CLIENTS ARE URGED TO REVIEW THE ACCOUNT STATEMENTS RECEIVED DIRECTLY FROM THEIR CUSTODIANS AS WELL AS ANY REPORTING RECEIVED BY THE ADVISOR.**

**The Fund**s: Everstar and its affiliates are exempt from many of the requirements of the Custody Rule because (i) the Funds are audited in accordance with U.S. generally accepted accounting principles on an annual basis by an independent public accountant that is registered with, and subject to regular inspection by the Public Company Accounting Oversight Board, and (ii) the Firm distributes the Fund's audited financial statements to investors in such Fund within 120 days of the Fund's fiscal year end. Some of the loan documents, which the Firm does not consider securities for purposes of complying with the Custody Rule, are held with an unaffiliated attorney as opposed to a qualified custodian.

## ITEM 16: INVESTMENT DISCRETION

Each Wealth Advisory Contract will generally include a limited "power of attorney," whereby a client will appoint Everstar as the client's agent and attorney-in-fact so that Everstar will exercise discretion in selecting, buying, selling, and otherwise managing the investments of its clients, subject to the terms and conditions of any Advisory Contract which may include client requested restrictions in investing in certain securities or types of securities in accordance with their values and beliefs.

Investment advisory and management services provided to the Fund are also provided on a discretionary basis.

Everstar also provides investment advisory services on a non-discretionary basis to certain Wealth Advisory Clients.

## ITEM 17: VOTING CLIENT SECURITIES

At this time, Everstar will not vote proxies on behalf of Clients. Wealth Advisory Clients receive proxy notices directly from their custodian. In the event that a proxy is issued by a security in the Wealth Advisory Client's account, Everstar will forward to the Wealth Advisory Client all proxy solicitation and related materials, including annual and interim reports and any other issuer mailings.

With respect to the Funds, under most circumstances, it is Everstar's belief the impact of any vote requested of the Funds is not expected to have any meaningful impact on the outcome of the vote. Therefore, Everstar does not anticipate voting proxies under most circumstances. Everstar believes not voting allows Everstar to focus on implementing its strategies as designed and is therefore in the best interest of its Funds invested in such strategies. No investor in any Fund may direct Everstar' vote in a particular solicitation.

## ITEM 18: FINANCIAL INFORMATION

**Item 18.A.** ***Balance Sheet***

Everstar is not required to provide financial information in this Brochure because Everstar does not require the prepayment of more than $1,200 in fees when services cannot be rendered within 6 months.

**Item 18.B.** ***Financial Condition***

Everstar is not aware of any financial condition that is reasonably likely to impact its ability to meet its contractual commitments to clients.

**Item 18.C.** ***Bankruptcy Petitions***

Not applicable. Everstar has not been the subject of a bankruptcy petition at any time during the past ten years.