

OUTRUNNER CAPITAL, LLC

a Registered Investment Adviser

3500 Oakmont Blvd., Suite 100
Austin, TX 78731

512-649-3585

www.outrunnercapital.com

This brochure provides information about the qualifications and business practices of Outrunner Capital, LLC (hereinafter “Outrunner” or the “Firm”). If you have any questions about the contents of this brochure, please contact the Firm at the telephone number listed above. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission (SEC) or by any state securities authority. Additional information about the Firm is available on the SEC’s website at www.adviserinfo.sec.gov. The Firm is a registered investment adviser. Registration does not imply any level of skill or training.

Item 2. Material Changes

In this Item, Outrunner is required to discuss any material changes that have been made to the brochure since the last annual amendment. The Firm has updated Items 4, 5, 6, 8 and 10 to discuss that it is the managing member of a number of special purpose vehicles that have been formed to invest in single securities. The terms of investment in the SPVs are included in the Offering Documents provided to each investor. The Firm receives a carried interest, which is a form of performance-based compensation. In addition, the Firm updated its minimum fee in Item 7 to \$300,000 and minimum portfolio value to \$50,000,000.

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Item 4. Advisory Business

Outrunner offers a variety of advisory services, which include financial planning, consulting, and investment management services. Prior to Outrunner rendering any of the foregoing advisory services, clients are required to enter into one or more written agreements with Outrunner setting forth the relevant terms and conditions of the advisory relationship (the “Advisory Agreement”).

Outrunner filed for registration as an investment adviser in April 2024 and is owned by Erik G. Cohen and Jonathan L. Levy. As of December 31, 2024 Outrunner had \$223,716,525 assets under management, all of which was managed on a discretionary basis.

While this brochure generally describes the business of Outrunner, certain sections also discuss the activities of its Supervised Persons, which refer to the Firm’s officers, partners, directors (or other persons occupying a similar status or performing similar functions), employees or other persons who provide investment advice on Outrunner’s behalf and are subject to the Firm’s supervision or control.

Financial Planning and Consulting Services

Outrunner offers clients a broad range of financial planning and consulting services, which include any or all of the following functions:

- Business Planning
- Cash Flow Forecasting
- Trust and Estate Planning
- Insurance Planning
- Retirement Planning
- Asset Allocation
- Tax Planning
- Education Planning

In performing these services, Outrunner is not required to verify any information received from the client or from the client’s other professionals (e.g., attorneys, accountants, etc.) and is expressly authorized to rely on such information. Outrunner recommends certain clients engage the Firm for additional related services and/or other professionals to implement its recommendations. Clients are advised that a conflict of interest exists for the Firm to recommend that clients engage Outrunner or its affiliates to provide (or continue to provide) additional services for compensation, including investment management services. Clients retain absolute discretion over all decisions regarding implementation and are under no obligation to act upon any of the recommendations made by Outrunner under a financial planning or consulting engagement. Clients are advised that it remains their responsibility to promptly notify the Firm of any change in their financial situation or investment objectives for the purpose of reviewing, evaluating or revising Outrunner’s recommendations and/or services.

Wealth Management Services

Outrunner provides clients with wealth management services which include a broad range of financial planning and consulting services as well as discretionary and/or non-discretionary management of investment portfolios.

Outrunner primarily allocates client assets among various mutual funds, exchange-traded funds (“ETFs”), individual debt and equity securities, options, privately placed securities (including debt, equity and/or interests in pooled investment vehicles) and independent investment managers (“Independent Managers”) in accordance with their stated investment objectives.

Clients can engage Outrunner to manage and/or advise on certain investment products that are not maintained at their primary custodian, such as variable life insurance and annuity contracts and assets held in employer sponsored retirement plans and qualified tuition plans (i.e., 529 plans). In these situations, Outrunner directs or recommends the allocation of client assets among the various investment options available with the product. These assets are generally maintained at the underwriting insurance company or the custodian designated by the product’s provider.

Outrunner tailors its advisory services to meet the needs of its individual clients and seeks to ensure, on a continuous basis, that client portfolios are managed in a manner consistent with those needs and objectives. Outrunner consults with clients on an initial and ongoing basis to assess their specific risk tolerance, time horizon, liquidity constraints and other related factors relevant to the management of their portfolios. Clients are advised to promptly notify Outrunner if there are changes in their financial situation or if they wish to place any limitations on the management of their portfolios. Clients can impose reasonable restrictions or mandates on the management of their accounts if Outrunner determines, in its sole discretion, the conditions would not materially impact the performance of a management strategy or prove overly burdensome to the Firm’s management efforts.

Use of Independent Managers

As mentioned above, Outrunner selects certain Independent Managers to actively manage a portion of its clients’ assets. The specific terms and conditions under which a client engages an Independent Manager are set forth in a separate written agreement with the designated Independent Manager. That agreement can be between the Firm and the Independent Manager (often called a subadvisor) or the client and the Independent Manager (sometimes called a separate account manager). In addition to this brochure, clients will typically also receive the written disclosure documents of the respective Independent Managers engaged to manage their assets.

Outrunner evaluates a variety of information about Independent Managers, which includes the Independent Managers’ public disclosure documents, materials supplied by the Independent Managers themselves and other third-party analyses it believes are reputable. To the extent possible, the Firm seeks to assess the

Independent Managers' investment strategies, past performance and risk results in relation to its clients' individual portfolio allocations and risk exposure. Outrunner also takes into consideration each Independent Manager's management style, returns, reputation, financial strength, reporting, pricing and research capabilities, among other factors.

Outrunner continues to provide services relative to the discretionary or non-discretionary selection of the Independent Managers. On an ongoing basis, the Firm monitors the performance of those accounts being managed by Independent Managers. Outrunner seeks to ensure the Independent Managers' strategies and target allocations remain aligned with its clients' investment objectives and overall best interests.

Management of Collective Investment Vehicle

Outrunner serves as the managing manager to Outrunner Capital – SPV I, LLC (“SPV I”), Outrunner Capital – SPV II, LLC (“SPV II”) and Outrunner Capital – SPV III, LLC (“SPV III”) and together with any other SPVs, the “SPVs”). The SPVs are special purpose vehicles that have been formed to invest in a single security. Securities in the SPVs are privately offered. Participation as an investor in the SPVs is restricted to investors that are both "qualified clients" as defined in Rule 205-3(d) under the Advisers Act, “accredited investors” as defined in Rule 501(a) of the Securities Act of 1933, as amended and “qualified purchasers” as defined under the Investment Company Act of 1940, as amended.

To the extent certain of Outrunner's individual advisory clients qualify, they will be eligible to participate as members in the SPVs. Investment in the SPVs involves a significant degree of risk. All relevant information, terms and conditions relative to the SPVs, including the compensation received by Outrunner, risk factors, and potential conflicts of interest, are set forth in the LLC Agreement, Subscription Documents and Confidential Investment Memo (together, the “Offering Documents”), which each investor is required to receive and/or execute prior to being accepted as an investor in the SPVs.

The Firm has a conflict of interest where it acts as investment adviser to a client and recommends and investment in the SPVs. The conflict exists because the Firm is recommending an investment in a proprietary product that could be invested elsewhere which would remove assets from the Firm's management. In addition, the Firm's founders are early investors in Setpoint Technologies Inc. (the single security that SPV I invests in) and investors in Setpoint debt funds. Furthermore, certain of Setpoint Technologies' leadership are clients of the Firm. This results in an incentive for the Firm to recommend investment in SPV I.

The Firm does not take a management fee as managing member of SPVs, but does continue to take its fees as discussed in Item 5 on the assets that a client has invested in the SPVs. In addition, the Firm receives a carried interest which is performance-based compensation.

Item 5. Fees and Compensation

Outrunner offers investment management services for an annual fee based on the amount of assets under the Firm's management or fixed fees. This management fee (either asset-based or fixed) varies depending upon the size and composition of a client's portfolio, the type and amount of services rendered and the individual(s) providing the services. The fee will be negotiated and agreed upon by the client and can be presented as a fee schedule or fixed fee.

The annual fee is prorated and charged quarterly, in arrears, based upon the market value of the assets being managed by Outrunner on the last day of the quarter as determined by a party independent from the Firm (including the client's custodian or another third-party). If a valuation for private securities is not available through the custodian, the Firm will typically rely on the valuation provided by the issuer. Because valuations may only be provided periodically (including monthly, quarterly or even annually), the Firm can be billing on a valuation that would be different if updated. That valuation can be higher or lower depending on the increase or decrease in value of the private investment.

Alternatively, the Firm may charge a fixed fee for the investment management services. The fixed fee will be individually negotiated and will be based upon a number of factors including the size and composition of a client's portfolio, the type and amount of services rendered and the individual(s) providing the services.

The Firm includes cash in a client's account in determining the valuation for billing purposes. The Firm may, in its sole discretion, not include cash in determining the fee, especially where a client has a high percentage of cash for reasons other than the Firm's investment management decision.

For the initial period of an engagement, the fee is calculated on a *pro rata* basis. In the event the advisory agreement is terminated, the fee for the final billing period is prorated through the effective date of the termination and the outstanding or unearned portion of the fee is charged or refunded to the client, as appropriate.

Additionally, for asset management services the Firm provides with respect to certain client holdings (e.g., held-away assets, accommodation accounts, alternative investments, etc.), Outrunner can negotiate a fee rate that differs from the range set forth above. Clients are advised that a conflict of interest exists for the Firm to recommend that clients engage Outrunner for additional services for compensation, including rolling over retirement accounts or moving other assets to the Firm's management. Clients retain absolute discretion over all decisions regarding engaging the Firm and are under no obligation to act upon any of the recommendations.

Performance-Based Fees

Outrunner receives a carried interest from Class A shareholders in the SPVs. Under this arrangement, the Firm charges a fee based upon the performance of the investment.

Available distributions will be distributed to Class A members in the following manner: i) 100% to the Class A member up to the capital contributions made by that member; and ii) the remainder is allocated 80% to the Class A member and 20% to the Firm. Investors in the SPVs should review the Offering Documents for full discussion of the carried interest.

Fee Discretion

Outrunner may, in its sole discretion, negotiate to charge a lesser fee based upon certain criteria, such as anticipated future earning capacity, anticipated future additional assets, dollar amount of assets to be managed, related accounts, account composition, pre-existing/legacy client relationship, account retention, pro bono activities, or competitive purposes.

Additional Fees and Expenses

In addition to the advisory fees paid to Outrunner, clients also incur certain charges imposed by other third parties, such as broker-dealers, custodians, trust companies, banks and other financial institutions (collectively “Financial Institutions”). These additional charges include securities brokerage commissions, transaction fees, custodial fees, fees attributable to alternative assets, fees charged by the Independent Managers, margin and other borrowing costs, charges imposed directly by a mutual fund or ETF in a client’s account, as disclosed in the fund’s prospectus (*e.g.*, fund management fees and other fund expenses), deferred sales charges, odd-lot differentials, transfer taxes, wire transfer and electronic fund fees, and other fees and taxes on brokerage accounts and securities transactions. The Firm’s brokerage practices are described at length in Item 12, below.

Direct Fee Debit

Clients provide Outrunner and/or certain Independent Managers with the authority to directly debit their accounts for payment of the investment advisory fees. The Financial Institutions that act as the qualified custodian for client accounts, from which the Firm retains the authority to directly deduct fees, have agreed to send statements to clients not less than quarterly detailing all account transactions, including any amounts paid to Outrunner. The Firm will debit the fee from the custodian account for assets that are not held at the custodian account where the billing is withdrawn from. This includes fees on private investments. This will cause a fee to appear higher than the fee agreed upon. Clients can reach out to the Firm for a description of the fee calculation. Alternatively, clients may elect to have Outrunner send a separate invoice for direct payment.

Use of Margin

Outrunner can recommend that certain clients utilize margin in the client's investment portfolio or other borrowing. Outrunner only recommends such borrowing for non-investment needs, such as bridge loans and other financing needs. The Firm's fees are determined based upon the value of the assets being managed gross of any margin or borrowing.

Account Additions and Withdrawals

Clients can make additions to and withdrawals from their account at any time, subject to Outrunner's right to terminate an account. Additions can be in cash or securities provided that the Firm reserves the right to liquidate any transferred securities or declines to accept particular securities into a client's account. Clients can withdraw account assets on notice to Outrunner, subject to the usual and customary securities settlement procedures. However, the Firm designs its portfolios as long-term investments and the withdrawal of assets may impair the achievement of a client's investment objectives. Outrunner may consult with its clients about the options and implications of transferring securities. Clients are advised that when transferred securities are liquidated, they may be subject to transaction fees, short-term redemption fees, fees assessed at the mutual fund level (e.g., contingent deferred sales charges) and/or tax ramifications.

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

As stated in Items 4 and 5, Outrunner acts as the managing member of the SPVs and receives a carried interest which is performance-based compensation. Although Outrunner believes that this fee arrangement best aligns the interests of the Firm and its clients, it raises conflicts of interest. The performance fee is an incentive for the Firm to make or recommend investments that are riskier or more speculative than would be the case absent a performance fee arrangement.

Item 7. Types of Clients

Outrunner offers services to ultra high net worth individuals, families and their associated entities, including trusts, estates, charitable vehicles, family partnerships and business entities.

Minimum Account Value and Fee

As a condition for starting and maintaining an investment management relationship, Outrunner imposes a minimum annual fee of \$300,000 (assessed quarterly, pro rata) and a minimum portfolio value of

\$50,000,000. Outrunner may, in its sole discretion, charge a lesser minimum fee and accept clients with smaller portfolios based upon certain criteria, including anticipated future earning capacity, anticipated future additional assets, dollar amount of assets to be managed, related accounts, account composition, pre-existing client, account retention, and pro bono activities. The minimum fee will cause clients with smaller portfolios to incur an effective fee rate that is higher than the Firm's stated fee. Outrunner only accepts clients with less than the minimum portfolio size if the Firm determines the smaller portfolio size will not cause a substantial increase of investment risk beyond the client's identified risk tolerance. Outrunner may, in its sole discretion, aggregate the portfolios of family members to meet the minimum portfolio size.

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

Methods of Analysis

Outrunner utilizes a combination of fundamental and technical methods of analysis.

Fundamental analysis involves an evaluation of the fundamental financial condition and competitive position of a particular fund or issuer. For Outrunner, this process typically involves an analysis of an issuer's management team, investment strategies, style drift, past performance, reputation and financial strength in relation to the asset class concentrations and risk exposures of the Firm's model asset allocations. A substantial risk in relying upon fundamental analysis is that while the overall health and position of a company may be good, evolving market conditions may negatively impact the security.

Technical analysis involves the examination of past market data rather than specific issuer information in determining the recommendations made to clients. Technical analysis may involve the use of mathematical based indicators and charts, such as moving averages and price correlations, to identify market patterns and trends which may be based on investor sentiment rather than the fundamentals of the company. A substantial risk in relying upon technical analysis is that spotting historical trends may not help to predict such trends in the future. Even if the trend will eventually reoccur, there is no guarantee that Outrunner will be able to accurately predict such a reoccurrence.

Investment Strategies

Before making a recommendation, Outrunner meets with each client to learn the entire scope of their situation and determine their unique needs. Through this process, the Firm works with the client to develop a specific asset allocation plan that is memorialized in an Investment Policy Statement (IPS). The IPS details the client's investment goals, risk tolerance and distribution requirements. Outrunner reviews the IPS at least annually with each client and make any necessary changes. Once the Firm develops the IPS and asset

allocation framework, it implements the agreed upon strategy through the use of fixed income, equity and alternative investments strategies.

Risk of Loss

The following list of risk factors does not purport to be a complete enumeration or explanation of the risks involved with respect to the Firm's investment management activities. Clients should consult with their legal, tax, and other advisors before engaging the Firm to provide investment management services on their behalf.

Market Risks

Investing involves risk, including the potential loss of principal, and all investors should be guided accordingly. The profitability of a significant portion of Outrunner's recommendations and/or investment decisions may depend to a great extent upon correctly assessing the future course of price movements of stocks, bonds and other asset classes. In addition, investments may be adversely affected by financial markets and economic conditions throughout the world. There can be no assurance that Outrunner will be able to predict these price movements accurately or capitalize on any such assumptions.

Volatility Risks

The prices and values of investments can be highly volatile, and are influenced by, among other things, interest rates, general economic conditions, the condition of the financial markets, the financial condition of the issuers of such assets, changing supply and demand relationships, and programs and policies of governments.

Cash Management Risks

The Firm may invest some of a client's assets temporarily in money market funds or other similar types of investments, during which time an advisory account may be prevented from achieving its investment objective.

Equity-Related Securities and Instruments

The Firm may take long positions in common stocks of U.S. and non-U.S. issuers traded on national securities exchanges and over-the-counter markets. The value of equity securities varies in response to many factors. These factors include, without limitation, factors specific to an issuer and factors specific to the industry in which the issuer participates. Individual companies may report poor results or be negatively affected by industry and/or economic trends and developments, and the stock prices of such companies may suffer a decline in response. In addition, equity securities are subject to stock risk, which is the risk that stock prices historically rise and fall in periodic cycles. U.S. and non-U.S. stock markets have experienced periods of substantial price volatility in the past and may do so again in the future. In addition, investments

in small-capitalization, midcapitalization and financially distressed companies may be subject to more abrupt or erratic price movements and may lack sufficient market liquidity, and these issuers often face greater business risks.

Fixed Income Securities

While the Firm emphasizes risk-averse management and capital preservation in its fixed-income bond portfolios, clients who invest in this product can lose money, including losing a portion of their original investment. The prices of the securities in our portfolios fluctuate. The Firm does not guarantee any particular level of performance. Below is a representative list of the types of risks clients should consider before investing in this product.

- Interest rate risk. Prices of bonds tend to move in the opposite direction to interest rate changes. Typically, a rise in interest rates will negatively affect bond prices. The longer the duration and average maturity of a portfolio, the greater the likely reaction to interest rate moves.
- Credit (or default) risk. A bond's price will generally fall if the issuer fails to make a scheduled interest or principal payment, if the credit rating of the security is downgraded, or if the perceived creditworthiness of the issuer deteriorates.
- Liquidity risk. Sectors of the bond market can experience a sudden downturn in trading activity. When there is little or no trading activity in a security, it can be difficult to sell the security at or near its perceived value. In such a market, bond prices may fall.
- Call risk. Some bonds give the issuer the option to call or redeem the bond before the maturity date. If an issuer calls a bond when interest rates are declining, the proceeds may have to be reinvested at a lower yield. During periods of market illiquidity or rising rates, prices of callable securities may be subject to increased volatility.
- Prepayment risk. When interest rates fall, the principal of mortgage-backed securities may be prepaid. These prepayments can reduce the portfolio's yield because proceeds may have to be reinvested at a lower yield.
- Extension risk. When interest rates rise or there is a lack of refinancing opportunities, prepayments of mortgage-backed securities or callable bonds may be less than expected. This would lengthen the portfolio's duration and average maturity and increase its sensitivity to rising rates and its potential for price declines.

Mutual Funds and ETFs

An investment in a mutual fund or ETF involves risk, including the loss of principal. Mutual fund and ETF shareholders are necessarily subject to the risks stemming from the individual issuers of the fund's

underlying portfolio securities. Such shareholders are also liable for taxes on any fund-level capital gains, as mutual funds and ETFs are required by law to distribute capital gains in the event they sell securities for a profit that cannot be offset by a corresponding loss.

Shares of mutual funds are generally distributed and redeemed on an ongoing basis by the fund itself or a broker acting on its behalf. The trading price at which a share is transacted is equal to a fund's stated daily per share net asset value ("NAV"), plus any shareholders fees (e.g., sales loads, purchase fees, redemption fees). The per share NAV of a mutual fund is calculated at the end of each business day, although the actual NAV fluctuates with intraday changes to the market value of the fund's holdings. The trading prices of a mutual fund's shares may differ from the NAV during periods of market volatility, which may, among other factors, lead to the mutual fund's shares trading at a premium or discount to actual NAV.

Shares of ETFs are listed on securities exchanges and transacted at negotiated prices in the secondary market. Generally, ETF shares trade at or near their most recent NAV, which is generally calculated at least once daily for index-based ETFs and potentially more frequently for actively managed ETFs. However, certain inefficiencies may cause the shares to trade at a premium or discount to their pro rata NAV. There is also no guarantee that an active secondary market for such shares will develop or continue to exist. Generally, an ETF only redeems shares when aggregated as creation units (usually 20,000 shares or more). Therefore, if a liquid secondary market ceases to exist for shares of a particular ETF, a shareholder may have no way to dispose of such shares.

Finally, some mutual funds and ETFs may have lock-up periods that restrict an investor from selling their position for a period of time. Other mutual funds and ETFs could also have early redemption fees that are taken if the investor sells their position before a certain amount of time.

Use of Independent Managers

As stated above, Outrunner selects certain Independent Managers to manage a portion of its clients' assets. In these situations, Outrunner continues to conduct ongoing due diligence of such managers, but such recommendations rely to a great extent on the Independent Managers' ability to successfully implement their investment strategies. In addition, Outrunner does not have the ability to supervise the Independent Managers on a day-to-day basis.

Use of Private Collective Investment Vehicles

Outrunner recommends that certain clients invest in privately placed collective investment vehicles (e.g., hedge funds, private equity funds, etc.). The managers of these vehicles have broad discretion in selecting the investments. There are few limitations on the types of securities or other financial instruments which may be traded and no requirement to diversify. Hedge funds may trade on margin or otherwise leverage positions, thereby potentially increasing the risk to the vehicle. In addition, because the vehicles are not registered as investment companies, there is an absence of regulation and regulatory oversight. There are

numerous other risks in investing in these securities. Clients should consult each fund's private placement memorandum and/or other documents explaining such risks prior to investing.

As disclose in Items 4, 5, and 6, above, these collective vehicles include the SPVs, for which the Firm acts as managing member. This affiliation causes additional risks that investors should be aware of. Investors should consult the Offering Documents of the SPVs.

Use of Other Private Investments

Outrunner recommends that certain clients invest in privately placed securities in companies. This can be debt or equity investments. The investments are not registered so there is an absence of regulation and regulatory oversight. There are numerous other risks in investing in these securities. Clients should consult each investments private placement memorandum and/or other documents explaining such risks prior to investing.

Options

Options allow investors to buy or sell a security at a contracted "strike" price at or within a specific period of time. Clients may pay or collect a premium for buying or selling an option. Investors transact in options to either hedge (i.e., limit) losses in an attempt to reduce risk or to speculate on the performance of the underlying securities. Options transactions contain a number of inherent risks, including the partial or total loss of principal in the event that the value of the underlying security or index does not increase/decrease to the level of the respective strike price. Holders of options contracts are also subject to default by the option writer which may be unwilling or unable to perform its contractual obligations.

Currency Risks

An advisory account that holds investments denominated in currencies other than the currency in which the advisory account is denominated may be adversely affected by the volatility of currency exchange rates.

Interest Rate Risks

Interest rates may fluctuate significantly, causing price volatility with respect to securities or instruments held by clients.

Item 9. Disciplinary Information

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

Item 10. Other Financial Industry Activities and Affiliations

This item requires investment advisers to disclose certain financial industry activities and affiliations. The Firm does not have any other financial industry activities or affiliations that need to be disclosed.

Recommendation to Private Fund Managed by the Firm and Affiliates

As discussed in this Disclosure Brochure, the Firm manages and acts as the managing member of the SPVs. The Firm has disclosed the conflicts of interest involved in these relationships above and all investors will receive a copy of the Offering Documents for the SPVs.

Item 11. Code of Ethics

Outrunner has adopted a code of ethics in compliance with applicable securities laws (“Code of Ethics”) that sets forth the standards of conduct expected of its Supervised Persons. Outrunner’s Code of Ethics contains written policies reasonably designed to prevent certain unlawful practices such as the use of material non-public information by the Firm or any of its Supervised Persons and the trading by the same of securities ahead of clients in order to take advantage of pending orders.

The Code of Ethics also requires certain of Outrunner’s personnel to report their personal securities holdings and transactions and obtain pre-approval of certain investments (*e.g.*, initial public offerings, limited offerings). However, the Firm’s Supervised Persons are permitted to buy or sell securities that it also recommends to clients if done in a fair and equitable manner that is consistent with the Firm’s policies and procedures. This Code of Ethics has been established recognizing that some securities trade in sufficiently broad markets to permit transactions by certain personnel to be completed without any appreciable impact on the markets of such securities. Therefore, under limited circumstances, exceptions may be made to the policies stated below.

When the Firm is engaging in or considering a transaction in any security on behalf of a client, no Supervised Person with access to this information may knowingly effect for themselves or for their immediate family (*i.e.*, spouse, minor children and adults living in the same household) a transaction in that security unless:

- the transaction has been completed;
- the transaction for the Supervised Person is completed as part of a batch trade with clients; or
- a decision has been made not to engage in the transaction for the client.

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 money market funds; and iv) shares issued by other unaffiliated open-end mutual funds.

Clients and prospective clients may contact Outrunner to request a copy of its Code of Ethics by contacting the Firm at the phone number on the cover page of this brochure.

Item 12. Brokerage Practices

Recommendation of Broker-Dealers for Client Transactions

Outrunner recommends that clients utilize the custody, brokerage and clearing services of Goldman Sachs Advisor Solutions (a brand of Folio Investments, Inc., and Goldman Sachs & Co. LLC "Goldman Sachs"), Charles Schwab & Co, Inc. through its Schwab Advisor Services division ("Schwab") and National Financial Services LLC and Fidelity Brokerage Services LLC (together with affiliates, "Fidelity" and together with Goldman Sachs, Schwab and Fidelity "Custodian") for investment management accounts. The final decision to custody assets with Custodian is at the discretion of the client, including those accounts under ERISA or IRA rules and regulations, in which case the client is acting as either the plan sponsor or IRA accountholder. Outrunner is independently owned and operated and not affiliated with Custodian. Custodian provides Outrunner with access to its institutional trading and custody services, which are typically not available to retail investors.

Factors which Outrunner considers in recommending Custodian or any other broker-dealer to clients include their respective financial strength, reputation, execution, pricing, research and service. The Custodians enable the Firm to obtain many mutual funds without transaction charges and other securities at nominal transaction charges. Certain of the Custodians have also agreed to reimburse clients for exit fees associated with moving accounts to that Custodian. The reimbursement is only available up to a certain amount for all of the Firm's clients over a set period of time. Fees are reimbursed on a first-come-first-served basis so that no clients are favored. The commissions and/or transaction fees charged by Custodian may be higher or lower than those charged by other Financial Institutions.

The commissions paid by Outrunner's clients to Custodian comply with the Firm's duty to obtain "best execution." Clients may pay commissions that are higher than another qualified Financial Institution might charge to effect the same transaction where Outrunner 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. Outrunner seeks competitive rates but may not necessarily obtain the lowest possible commission rates for client transactions.

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

Software and Support Provided by Financial Institutions

Outrunner receives without cost from Custodian administrative support, brokerage support, computer software, related systems support, research and other third-party support as further described below (together "Support") which allow Outrunner to better monitor client accounts maintained at Custodian and otherwise conduct its business. Outrunner receives the Support without cost because the Firm renders investment management services to clients that maintain assets at Custodian. The Support is not provided in connection with securities transactions of clients (i.e., not "soft dollars"). The Support benefits Outrunner, but not its clients directly. Clients should be aware that Outrunner's receipt of economic benefits such as the Support from a broker-dealer creates a conflict of interest since these benefits will influence the Firm's choice of broker-dealer over another that does not furnish similar software, systems support or services. In fulfilling its duties to its clients, Outrunner endeavors at all times to put the interests of its clients first and has determined that the recommendation of Custodian is in the best interest of clients and satisfies the Firm's duty to seek best execution.

Specifically, Outrunner receives the following benefits from Custodian: i) receipt of duplicate client confirmations and bundled duplicate statements; ii) access to a trading desk that exclusively services its institutional traders; iii) access to block trading which provides the ability to aggregate securities transactions and then allocate the appropriate shares to client accounts; and iv) access to an electronic communication network for client order entry and account information.

In addition, the Firm receives funds to be used toward qualifying third-party service providers for research, marketing, compliance, technology and software platforms and services. These services generally are available to independent investment advisors on an unsolicited basis, at no charge to them so long as a certain amount of the advisor's clients' assets are maintained in accounts at Custodian. The services include brokerage services that are related to the execution of securities transactions, custody, research, including that in the form of advice, analyses and reports, and access to mutual funds and other investments that are otherwise generally available only to institutional investors or would require a significantly higher minimum initial investment.

The Firm will receive transition payments from Goldman Sachs. Goldman Sachs will make the transition payments on the Firm's behalf to certain vendors who have provided services to the Firm associated with the transfer of clients to Goldman Sachs. The Support provided by Goldman Sachs (including transfer exit

fees paid to clients) is contingent upon clients placing at least \$300,000,000 with Goldman Sachs. This results in a conflict of interest for the Firm to recommend Goldman Sachs until the threshold is met.

For client accounts maintained in its custody, Custodian generally does not charge separately for custody services but is compensated by account holders through commissions or other transaction-related or asset-based fees for securities trades that are executed through Custodian or that settle into Custodian accounts.

Custodian also makes available to the Firm other products and services that benefit the Firm but may not benefit its clients' accounts. These benefits may include national, regional or Firm specific educational events organized and/or sponsored by Custodian. Other potential benefits may include occasional business entertainment of personnel of Outrunner by Custodian personnel, including meals, invitations to sporting events, including golf tournaments, and other forms of entertainment, some of which may accompany educational opportunities. Other of these products and services assist Outrunner in managing and administering clients' accounts. These include software and other technology (and related technological training) that provide access to client account data (such as trade confirmations and account statements), facilitate trade execution (and allocation of aggregated trade orders for multiple client accounts), provide research, pricing information and other market data, facilitate payment of the Firm's fees from its clients' accounts, and assist with back-office training and support functions, recordkeeping and client reporting. Many of these services generally may be used to service all or some substantial number of the Firm's accounts, including accounts not maintained at Custodian. Custodian also makes available to Outrunner other services intended to help the Firm manage and further develop its business enterprise. These services may include professional compliance, legal and business consulting, publications and conferences on practice management, information technology, business succession, regulatory compliance, employee benefits providers, human capital consultants, insurance and marketing. In addition, Custodian may make available, arrange and/or pay vendors for these types of services rendered to the Firm by independent third parties. Custodian may discount or waive fees it would otherwise charge for some of these services or pay all or a part of the fees of a third-party providing these services to the Firm. While, as a fiduciary, Outrunner endeavors to act in its clients' best interests, the Firm's recommendation that clients maintain their assets in accounts at Custodian may be based in part on the benefits received and not solely on the nature, cost or quality of custody and brokerage services provided by Custodian, which creates a conflict of interest.

Brokerage for Client Referrals

Outrunner does not consider, in selecting or recommending broker-dealers, whether the Firm receives client referrals from the Financial Institutions or other third party.

Directed Brokerage

The client may direct Outrunner 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 the Firm 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 for other accounts managed by Outrunner (as described above). As a result, the client may pay higher commissions or other transaction costs, greater spreads or may receive less favorable net prices, on transactions for the account than would otherwise be the case. Subject to its duty of best execution, Outrunner may decline a client’s request to direct brokerage if, in the Firm’s sole discretion, such directed brokerage arrangements would result in additional operational difficulties.

Trade Aggregation

Transactions for each client will be effected independently, unless Outrunner decides to purchase or sell the same securities for several clients at approximately the same time. Outrunner 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 the Firm’s client’s differences in prices and commissions or other transaction costs that might not have been obtained had such orders been placed independently. Under this procedure, transactions will be averaged as to price and allocated among Outrunner’s clients pro rata to the purchase and sale orders placed for each client on any given day. To the extent that the Firm determines to aggregate client orders for the purchase or sale of securities, including securities in which Outrunner’s Supervised Persons may invest, the Firm does so in accordance with applicable rules promulgated under the Advisers Act and no-action guidance provided by the staff of the U.S. Securities and Exchange Commission. Outrunner does not receive any additional compensation or remuneration as a result of the aggregation.

In the event that the Firm determines that a prorated allocation is not appropriate under the particular circumstances, the allocation will be made based upon other relevant factors, which include: (i) when only a small percentage of the order is executed, shares may be allocated to the account 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 when one account has limitations in its investment guidelines which prohibit it from purchasing other securities which are expected to produce similar investment results and can be purchased by other accounts; (iii) if an account reaches an investment guideline limit 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) with respect to sale allocations, allocations may be given to accounts low in cash; (v) in cases when a pro rata allocation of a potential execution would result in a de minimis allocation in one or more accounts, the Firm may exclude the account(s) from the allocation; the transactions may be executed

on a pro rata basis among the remaining accounts; or (vi) in cases where a small proportion of an order is executed in all accounts, shares may be allocated to one or more accounts on a random basis.

Item 13. Review of Accounts

Account Reviews

Outrunner monitors client portfolios on a continuous and ongoing basis and regular account reviews are conducted on at least an annual basis. Such reviews are conducted by the Firm's Principals. All investment advisory clients are encouraged to discuss their needs, goals and objectives with Outrunner and to keep the Firm informed of any changes thereto.

Account Statements and Reports

Clients are provided with transaction confirmation notices and regular summary account statements directly from the Financial Institutions where their assets are custodied. On a quarterly basis, clients will also receive written or electronic reports from Outrunner and/or an outside service provider, which contain certain account and/or market-related information, such as an inventory of account holdings or account performance. Clients should compare the account statements they receive from their custodian with any documents or reports they receive from Outrunner or an outside service provider.

Item 14. Client Referrals and Other Compensation

Client Referrals

In the event a client is introduced to Outrunner by an affiliated solicitor, the Firm can pay that solicitor a referral fee in accordance with applicable securities laws. Unless otherwise disclosed, any such referral fee is paid solely from Outrunner's investment management fee and does not result in any additional charge to the client. Any affiliated solicitor of Outrunner is required to disclose the nature of his or her relationship to prospective clients at the time of the solicitation.

Other Compensation

The Firm receives economic benefits from Goldman Sachs, Schwab and Fidelity. The benefits, conflicts of interest and how they are addressed are discussed above in response to Item 12.

Item 15. Custody

Outrunner is deemed to have custody of client funds and securities because the Firm is given the ability to debit client accounts for payment of the Firm's fees. As such, client funds and securities are maintained at one or more Financial Institutions that serve as the qualified custodian with respect to such assets. Such qualified custodians will send account statements to clients at least once per calendar quarter that typically detail any transactions in such account for the relevant period.

In addition, as discussed in Item 13, Outrunner will also send, or otherwise make available, periodic supplemental reports to clients. Clients should carefully review the statements sent directly by the Financial Institutions and compare them to those received from Outrunner. Any other custody disclosures can be found in the Firm's Form ADV Part 1.

Standing Letters of Authorization

Outrunner also will have custody due to clients giving the Firm limited power of attorney in a standing letter of authorization ("SLOA") to disburse funds to one or more third parties as specifically designated by the client. In such circumstances, the Firm will implement the steps in the SEC's no-action letter on February 21, 2017 which includes (in summary): i) client will provide instruction for the SLOA to the custodian; ii) client will authorize the Firm to direct transfers to the specific third party; iii) the custodian will perform appropriate verification of the instruction and provide a transfer of funds notice to the client promptly after each transfer; iv) the client will have the ability to terminate or change the instruction; v) the Firm will have no authority or ability to designate or change the identity or any information about the third party; vi) the Firm will keep records showing that the third party is not a related party of the Firm or located at the same address as the Firm; and vii) the custodian will send the client an initial and annual notice confirming the SLOA instructions.

Item 16. Investment Discretion

Outrunner is given the authority to exercise discretion on behalf of clients. Outrunner is considered to exercise investment discretion over a client's account if it can effect and/or direct transactions in client accounts without first seeking their consent. Outrunner is given this authority through a power-of-attorney included in the agreement between Outrunner and the client. Clients may request a limitation on this authority (such as certain securities not to be bought or sold). Outrunner takes discretion over the following activities:

- The securities to be purchased or sold;

- The amount of securities to be purchased or sold;
- When transactions are made; and
- The Independent Managers to be hired or fired.

Item 17. Voting Client Securities

Acceptance of Proxy Voting Authority

Outrunner accepts the authority to vote a client's securities (i.e., proxies) on their behalf. When Outrunner accepts such responsibility, it will only cast proxy votes in a manner consistent with the best interest of its clients. Absent special circumstances, which are fully-described in the Firm's Proxy Voting Policies and Procedures, all proxies will be voted consistent with guidelines established and described in Outrunner's Proxy Voting Policies and Procedures, as they may be amended from time-to-time. Clients may contact Outrunner to request information about how the Firm voted proxies for that client's securities or to get a copy of Outrunner's Proxy Voting Policies and Procedures. A brief summary of Outrunner's Proxy Voting Policies and Procedures is as follows:

- Outrunner has formed a Proxy Voting Committee that will be responsible for monitoring corporate actions, making voting decisions in the best interest of clients, and ensuring that proxies are submitted in a timely manner.
- The Proxy Voting Committee will vote proxies according to Outrunner's then current Proxy Voting Guidelines. The Proxy Voting Guidelines 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.
- Although the Proxy Voting Guidelines are followed as a general policy, certain issues are considered on a case-by-case basis based on the relevant facts and circumstances. Since corporate governance issues are diverse and continually evolving, the Firm devotes an appropriate amount of time and resources to monitor these changes.
- Clients cannot direct Outrunner's vote on a particular solicitation but can revoke the Firm's authority to vote proxies.

In situations where there is a conflict of interest in the voting of proxies due to business or personal relationships that Outrunner 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

Outrunner is not required to disclose any financial information listed in the instructions to Item 18 because:

- The Firm does not require or solicit the prepayment of more than \$1,200 in fees six months or more in advance of services rendered;
- 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.