

Trades among all accounts or among different funds that employ the same strategy may be allocated on other than a pro-rata basis if the number of shares executed at a given price is deemed too small to warrant allocation among all funds. In such cases, Alkeon may allocate the order to those client accounts that can receive their full allocations from the partial execution, rather than allocating such execution among all funds. Alkeon will enter the balance of the order with another broker and will allocate those trades to remaining funds.

Generally when the portfolio manager determines it is an appropriate investment for a client or strategy, Alkeon will implement its initial public offering (“IPO”) allocation procedures. These investments are allocated pro-rata to eligible investors within a strategy, which may cause performance variations among different funds in the same strategy. Certain funds or clients may not participate in IPO allocations due to restrictions, guidelines, suitability, client direction, cash availability, pending cash additions or withdrawals, portfolio market exposure, sector exposures, or position sizes, among others.

It may not always be possible or consistent with the investment objectives of Alkeon’s various funds for the same investment positions to be taken or liquidated at the same time. Accordingly, from time to time Alkeon may purchase a given security for one or more funds on the same day as Alkeon sells or sells short the same security for other funds. Certain positions and position sizes can vary between funds that employ different or the same strategy which may cause performance variations among different funds in the same strategy.

In the course of trading for the funds that Alkeon manages, a number of potential situations could occur, including orders given at different times by different portfolio managers, two portfolio managers may want to buy or sell at the same time, one portfolio manager may begin a trade and a second portfolio manager may want to execute the same trade before the first trade is complete, one portfolio manager may want to buy while another portfolio manager may want to sell or sell short at the same time, one portfolio manager may want to sell long while another portfolio manager may want to sell short at the same time, one portfolio manager may want to buy or sell for more than one fund or strategy, a portfolio manager could buy or sell for one fund or strategy on a specific day and buy or sell the same security for another fund or strategy on subsequent days, among others. In each instance, Alkeon has outlined allocation procedures to deal with the different scenarios that may arise. Other scenarios that may occur are handled on an ad hoc basis by the CCO.

From time to time, Alkeon may trade the same security on the same day for different funds within the same strategy at prices that are not identical. This will usually occur as a result of capital inflows or withdrawals. Any rebalancing of funds is done at the discretion of Alkeon and may result in performance variations among different funds in the same strategy.

Item 13. Review of Accounts

Each account (other than the Global Alpha funds) receives ongoing and continuous investment management and will be subject to supervisory review by Mr. Panayotis Sparaggis, Alkeon’s Managing Member. Mr. Sparaggis and Steven M. Ahn are the co-portfolio managers for the Global Alpha funds. Matters generally reviewed include adherence to guidelines established by Alkeon relating to specific securities held and adherence to client-established guidelines.