

# ARBITER PARTNERS CAPITAL MANAGEMENT, LLC

## Form CRS

March 1, 2024

### **Introduction**

Arbiter Partners Capital Management (“Arbiter”) is registered with the Securities and Exchange Commission (SEC) as an investment adviser. Brokerage and investment advisory services and fees differ, and it is important for you to understand these differences. Free and simple tools are available to research firms and financial professionals at [Investor.gov/CRS](https://Investor.gov/CRS), which also provides educational materials about broker-dealers, investment adviser, and investing.

### **Relationships and Services**

*What investment services and advice can you provide me?*

We offer discretionary investment advisory services, where we make investment decisions without seeking trade by trade permission, to private partnerships, institutional investors and family offices, and high net worth investors who are related to our founding partner. Our primary strategy is opportunistic, investing primarily in equities, fixed income, and derivatives using a variety of strategies with the goal to maximize long-term capital appreciation. The investments of our private funds and managed accounts are global in scope and are made across a range of instruments, including ETFs, closed-end mutual funds, and the occasional private placement. We also offer a strategy that focuses on global financial services, which involves a smaller range of instruments. We also offer special opportunity funds, which focus on investments in the securities of a single corporate complex, and accordingly, are concentrated investments involving a specific set of investments. Our investment decisions depend on a number of factors, including investment parameters (such as the use of derivatives or shorting), liquidity, available cash or cash needs, and tax considerations. For family accounts where we have particular knowledge, we also offer investments in private partnerships (proprietary and third party) and take into account risk tolerance, investment time horizons and potential liquidity requirements. We monitor our investments on an ongoing basis and review our accounts on at least a weekly basis.

### *Account Minimums and Other Requirements*

Account minimums are generally \$1,000,000, though we will consider accepting a lower starting balance.

More information about is available on Part 2 of our Form ADV, which is available by request or [here](#).

*Conversation Starters. Ask your financial professional:*

- Given my financial situation, should I choose an investment advisory service? Why or why not?
- How will you choose investments to recommend to me?
- What is your relevant experience, including your licenses, education and other qualifications? What do these qualifications mean?

### **Fees, Costs, Conflicts, and Standard of Conduct**

*What fees will I pay?*

Arbiter charges clients an investment management fee based on the value of each client’s assets under management. Fees are negotiable and range between 0.35% and 1% annually, depending on the size and nature of the account. Fees are charged quarterly in advance, based on account values at the start of each quarter unless negotiated otherwise. Our firm’s fees (in dollar terms) generally increase as client accounts grow, so we have an incentive to encourage our clients to increase the amount of assets in the accounts that are under our management and we have incentive to market to new clients. For additional information, see Item 5 of Part 2 of our Form ADV, available by request or [here](#).

In addition to Arbiter’s investment management fee, clients bear transaction fees when we buy or sell investments. Clients also pay fees to the broker-dealer or bank that maintains each account (called “custody” fees). Our firm often selects and purchases mutual funds and exchange traded funds for a portion of clients’

portfolios. Such investment vehicles pay their own management, transaction, and administrative fees and expenses, and those fees and expenses are indirectly borne by the investors in those vehicles, including Arbiter's clients. This can pose a conflict as the client may be subject to two layers of fees.

You will pay fees and costs whether you make or lose money on your investments. Fees and costs will reduce any amount of money you make on your investments over time. Please make sure you understand what fees and costs you are paying.

*Conversation Starter.* Ask your financial professional:

- Help me understand how these fees and costs might affect my investments. If I give you \$10,000 to invest, how much will go to fees and costs, and how much will be invested for me?

*What are your legal obligations to me when acting as my investment adviser? How else does your firm make money and what conflicts of interest do you have?*

When we act as your investment adviser, we have to act in your best interest and not put our interest ahead of yours. At the same time, the way we make money creates some conflicts with your interests. You should understand and ask us about these conflicts because they can affect the investment advice we provide to you. Here are some examples to help you understand what this means.

- We manage accounts for multiple clients, some of which carry performance fees and many of which are family and related accounts. We manage this potential conflict of interest through policies such as pre-determined allocations and average pricing for trades.
- Some of the broker-dealers that we trade with allocate a portion of the commissions that our clients pay to be used by us to pay for research. These "soft dollar" arrangements help our firm make investment decisions, but they can have the effect of increasing clients' transaction costs.

*Conversation Starter.* Ask your financial professional:

- How might your conflicts of interest affect me, and how will you address them?

More additional information about conflicts of interest between Arbiter and its clients is available on Part 2 of our Form ADV, which is available by request or [here](#).

*How do your financial professionals make money?*

Arbiter's financial professionals receive a salary and may receive a discretionary bonus. Compensation is set with the intention of attracting and retaining highly qualified professionals. Compensation is based on a variety of factors, including the revenues of the firm, performance fees from the proprietary products, and the amount of their assets invested in the firm's products.

### **Disciplinary History**

*Do your financial professionals have legal or disciplinary history?*

No. Visit [Investor.gov/CRS](http://Investor.gov/CRS) for a free and simple search tool to research us and our financial professionals.

*Conversation Starter.* Ask your financial professional:

- As a financial professional, do you have any disciplinary history? For what type of conduct?

### **Additional Information**

Additional information about our services can be found [here](#). If you have any questions about the contents of this brochure or would like to request a copy of this relationship summary, please contact Chi Hae Park at 212-650-4664 or [cpark@arbiterpartners.net](mailto:cpark@arbiterpartners.net).

*Conversation Starter.* Ask your financial professional:

- Who is my primary contact person? Is he or she a representative of an investment-adviser or a broker-dealer? Who can I talk to if I have concerns about how this person is treating me?