

ITEM 1: COVER PAGE

ALAMBIC INVESTMENT MANAGEMENT, L.P. Part 2A of Form ADV: Firm Brochure

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March 28, 2019

This brochure provides information about the qualifications and business practices of Alambic Investment Management, L.P. If you have any questions about the contents of this brochure, please contact us at 415.495.4900 or arichards@alambicim.com. 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 Alambic Investment Management, L.P., is also available at www.adviserinfo.sec.gov.

ITEM 2: MATERIAL CHANGES

This brochure updates Alambic Investment Management, L.P.'s ("Alambic") regulatory assets under management. It discloses that, in September 2018, we made fee and incentive allocation reductions available for all investments in the certain private funds we manage through the date of this brochure. The brochure deletes the reference to a now expired undertaking by Alambic to bear certain types of costs if and to the extent those costs exceed a specified percentage of the relevant invested amounts for persons who were investors in the Colombard Funds at September 30, 2016, as to those persons' investments made before that date. No other material changes are reflected in this brochure.

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ITEM 4: ADVISORY BUSINESS

Alambic Investment Management, L.P. (“Alambic,” “we,” or “Investment Manager”) began operations in November 2006 and actively providing investment management services to Clients on October 26, 2011. We are registered with the Securities & Exchange Commission as an investment adviser under the Investment Advisers Act of 1940 (“Advisers Act”).

We organized and manage assets for three private investment funds arranged in a master-feeder structure: The Colombard Fund, L.P., a Delaware limited partnership (“Colombard Domestic Fund.”); The Colombard Offshore Fund Limited, a Cayman Islands company (“Colombard Offshore Fund”); and The Colombard Master Fund, L.P., (the “Colombard Master Fund”), a Cayman Islands limited partnership. We manage these funds on a discretionary basis using proprietary quantitative techniques. We refer to those investment funds together as the “Colombard Funds.”

We also currently manage certain other accounts, including certain diversified series of a registered investment company. We refer to all the accounts we manage other than The Colombard Funds as “External Accounts,” and to the External Accounts and The Colombard Funds together as our “Clients.”

Alambic Holdings, LLC, is Alambic’s only general partner. Albert Richards and Brian Thompson are the “members” of Alambic Holdings and limited partners of Alambic. Robert Slaymaker is also a limited partner of the Investment Manager. In those capacities, they are our principal owners. Messrs. Richards, Thompson, and Slaymaker are also the principal owners of Alambic GP, LLC (the “General Partner”), which is the only general partner of The Colombard Fund, L.P., and The Colombard Master Fund, L.P. Where distinctions between the Investment Manager and the General Partner are not material to the context, this brochure sometimes uses the terms “Alambic,” “us,” or “we” to refer to both of those entities.

Description of Advisory Services. Our Clients typically grant us full discretion to invest and trade their accounts’ assets in accordance with investment objectives, strategies, and guidelines specified in our investment management agreements. For the Colombard Funds, those include the objectives and strategies described in those funds’ offering documents. Messrs. Richards and Thompson are principally responsible for managing Client portfolios. Clients typically give us broad investment mandates, authorizing us to cause their accounts to buy and sell securities, including to engage in short-term trading, and, for many accounts, sell securities short and employ leverage. Client accounts may invest and trade in options, futures, other derivatives and other instruments, although they do not do so generally.

Client Tailored Services and Client Imposed Restrictions. We manage the Colombard Funds pursuant to the objectives specified in the materials by which they offer their ownership interests to investors. Those materials impose no particular limits on the types of securities or other instruments in which the Colombard Funds may invest, the types of positions they may take, the concentration of their investments by sector, industry, fund, country, class, or otherwise, the amount of leverage they may employ or the number or nature of short positions they may take. The General Partner and we alone determine those objectives for the Colombard Domestic Fund. The board of directors of the Colombard Offshore Fund has the authority to determine those objectives, subject to our agreement, and to supervise our conduct of that fund’s investment and trading activities. The Colombard Funds’ investors do not have the right to specify, restrict, or influence the Colombard Funds’ investment objectives or any investment or trading decisions.

We manage our External Accounts according to the parameters agreed with Clients in our investment management or advisory agreements with those Clients.

Wrap Fee Programs. We do not participate in wrap fee programs.

Regulatory Assets Under Management. As of January 31, 2019, the aggregate regulatory asset value of accounts we manage (“regulatory assets under management” or “RAUM”) was approximately \$449,200,838. We do not expect to provide advice on a nondiscretionary basis.

ITEM 5: FEES AND COMPENSATION

A. Colombard Funds

Management Fee and Incentive Allocation. We are paid a monthly “management fee” for managing the Colombard Funds’ investment portfolios and providing certain related services. The management fee is calculated separately for each limited partner or shareholder (as applicable, a “Colombard Investor”), based on that Colombard Investor’s capital in the relevant Colombard Fund as of the beginning of the relevant month. The Colombard Funds’ governing documents and investment management agreement specify a management fee rate of 2.0% per annum of each Colombard Investor’s capital.

The Colombard Master Fund makes a special “incentive allocation” to the General Partner (in its capacity as general partner of that Colombard Fund), of a stated percentage (an “*Incentive Allocation rate*”) of the profits (both realized and unrealized) in respect of each Colombard Investor’s investment in a Colombard Fund, to the extent those profits exceed “unrecovered” losses from earlier periods – a “high water mark.” The Colombard Funds’ constituent documents specify an Incentive Allocation rate of 20%. The Colombard Master Fund makes incentive allocations at the end of each calendar year and at other times when Colombard Investors withdraw capital, but then only in relation to the capital withdrawn.

Our agreements with the Colombard Funds permit variations in the management fee and incentive allocation terms in particular circumstances. For persons who invested on or before March 1, 2015, we made early-investor reductions in Management Fee and Incentive Allocation rates, and, in September 2018, we made fee and incentive allocation reductions available for all investments in the Colombard Funds through the date of this Form ADV Brochure. We do not anticipate offering reduced fees for an extended period of time and do not intend to offer reduced fees to new investors on a general basis.

The Colombard Funds pay our fees directly from their assets that we manage. Incentive allocations take the form of increases in the value of the General Partner’s interest in the Colombard Master Fund.

Other Fees and Expenses.

Each Colombard Fund bears all its ongoing operating costs and its share of the Master Fund’s costs, which are outlined in the relevant private placement memoranda. These include, among other things:

- brokerage commissions and other transaction-related compensation and charges arising out of transactions involving Colombard Fund assets;
- interest and borrowing charges on securities sold short, and on margin and other borrowings;
- custodial and bank service fees;
- costs of quotation, computerized news, pricing and/or statistical services or software, and of systems, facilities and third-party services for order placement, order management, and clearance and settlement functions;
- costs directly related to researching, acquiring, holding, and/or monitoring and administering investments and potential investments, including costs of (A) systems and services for modeling, testing, and other analysis of portfolio construction, attributes, and/or risks; (B) third party investigative, analytical and/or reporting services; and (C) systems and services that facilitate conducting and managing investment research, analysis and investment decision-making, including costs of developing Alambic's proprietary systems and tools in addition to or in lieu of similar third-party services;
- auditing, accounting, third-party-administration, external bookkeeping, tax preparation and reporting, legal and other professional fees and costs, including fees and costs paid to Alambic's counsel for services relating to the Colombard Funds' legal affairs, which may include documentation and negotiation of special arrangements between the Colombard Funds and any investor, and legal fees and costs in connection with lawsuits, arbitrations, or other controversies or the Colombard Fund's indemnification obligations owed to Alambic, its affiliates and employees, and members of any Colombard Fund advisory or governance committee;
- costs arising out of licensing, governmental registration, and membership in self-regulatory organizations of or by the Colombard Funds and their affiliates and costs associated with the Colombard Funds' and their affiliates' registration and filings with and licensing by governmental and self-regulatory organizations and costs associated with regulatory, tax and other filing and reporting requirements by or related to the Colombard Funds, including filings required of Alambic as a result of their involvement in the management of or provision of services to the Fund or the Master Fund (including Schedules 13D or 13G and Forms 3 and 4, and requirements under FATCA);
- transfer, withholding, income, stamp and other taxes and duties (which may in certain circumstances be specially charged by the Fund to one or more Limited Partners);
- the Colombard Funds' share of the costs associated with insurance for directors' and officers', errors and omissions, and possibly other types of insurance maintained by Alambic or the Colombard Funds covering Alambic and its owners and employees, and the Fund's or Master Funds' advisory or governance committee members;
- Colombard Fund meetings and other governance activities and costs of reporting and making information available to investors; and
- all other reasonable expenses related to the Colombard Funds management and operation, or to the purchase, sale or transmittal of Colombard Fund assets, all as Alambic determines in its sole discretion.

The Colombard Funds may pay these costs directly, or Alambic may advance costs and be reimbursed by the Colombard Funds. Commissions and transaction-related services are generally paid and deducted directly from the Colombard Funds brokerage account(s).

The Colombard Funds do not pay custodial fees directly. Their assets are held by one or more “prime brokers” as custodians. The Colombard Funds may be considered to pay for custodial services indirectly through: payments to the prime brokers of commissions and other transaction costs; payments of financing charges related to margin borrowings and stock loans; and the prime brokers’ ability to earn money on certain balances the Colombard Funds maintain with them (subject to laws and regulations governing their activities).

Alambic anticipates that some or all the costs of some services provided to the Colombard Funds (or for their benefit and the benefit of External Accounts Alambic manages) will be embedded in brokerage commissions and financing rates the Colombard Funds pay. These may include algorithmic trading systems, custody of assets, reporting services and other services (such as consulting and capital introduction) provided by prime brokers. To the extent those services are, in effect, paid for with the transaction compensation the Colombard Funds bear, the Colombard Funds will bear the cost of those services.

Alambic has in the past voluntarily borne some of the operating costs the Colombard Funds were obligated to bear, in effect subsidizing the Colombard Funds’ returns for the relevant periods, causing those returns to be higher than they would have been if Alambic had not borne those costs. Alambic may, in its discretion do so for particular periods in the future, and, if it does, the Colombard Funds’ returns for those periods will be similarly affected. Bearing Colombard Fund costs in one period will not obligate Alambic to bear any such costs in any subsequent period.

We provide office personnel and space required for the performance of our services for the Colombard Funds and External Accounts. Clients do not reimburse us for doing so (except to the extent of our fees and incentive allocations).

Prepayment of Management Fees. The Colombard Funds pay management fees monthly in advance. Because Colombard Investors generally may withdraw capital or redeem shares only as of the end of a calendar month, there generally will be no prepaid fees. We will not be required to refund any portion of our management fee to a Colombard Fund that allows an investor to withdraw or redeem as of a time other than a month-end.

Other Compensation. We do not, and our personnel do not, accept compensation for the sale of securities or other investment products.

B. External Accounts

We currently receive several combinations of management fees and/or performance-based compensation/profit participation from External Accounts, at rates and on other terms negotiated with those Clients, including, in some cases, management fee-only or performance-based compensation/participation only. We expect to enter into other separately-negotiated arrangements with other Clients, as we take on other External Accounts. Depending on the investment strategies and types of Clients, those arrangements may or may not include performance-based compensation.

External Accounts typically bear brokerage commissions and other transaction-related compensation and other charges arising out of transactions, custodial and bank service fees (if

incurred), and, where applicable, interest and borrowing charges on securities sold short and on margin and other borrowings. Our agreements with these Clients may specify other expenses they will bear (or share with other Clients) related to our management of their accounts. We currently receive management fees only (with no incentive allocation) from our registered investment company Clients and anticipate a similar fee arrangement for any additional registered investment company accounts we manage in the future. Registered investment company Clients bear brokerage commissions and other transaction-related compensation and other charges arising out of transactions in their accounts, any financing charges related to their portfolios, custodial and bank service fees, and other expenses related to their organization and management, as specified in their agreements with us and in their offering materials. We have agreed with these Clients to bear certain expenses otherwise payable by those Clients to the extent specified expenses exceed an agreed-upon cap, all on terms specified in those Clients' governing documents.

D. Potential Conflict of Interest in Costs, Incentive Allocation, and Management Fee.

Services and systems that give rise to some of the costs that some Clients (including the Colombard Funds) have agreed to bear will relate to or benefit multiple Client accounts. To the extent that is the case, Alambic will allocate the costs of those services and systems among the relevant accounts in a manner it considers fair and equitable to all. As to some of those costs, Alambic's agreements with some Clients do not require the Client to bear the cost and, in those cases, Alambic will bear the amounts that would otherwise be allocable to those Clients. Some techniques for allocating costs could result in the Colombard Funds (or other Clients) bearing more of the costs than they would if other techniques were used and in such a case some Clients might be considered to be bearing costs that benefit other Clients or (to the extent Alambic would be responsible for the other Accounts' shares of those costs) Alambic.

The structure and payment of the Colombard Funds' and certain External Accounts' Incentive Allocations or performance-based share of profits may involve a conflict of interest. The General Partner's or Alambic's opportunity to receive an Incentive Allocation or performance-based compensation could encourage Alambic, either on its own or as an affiliate of the General Partner, to make riskier or more speculative investments than it otherwise would. Additionally, the aggregate amounts the Investment Manager receives from the Colombard Funds or External Accounts as a Management Fee may be greater than amounts received by some investment advisers for similar services, although they may be lower than amounts received by other investment advisers.

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

The Colombard Funds provide the General Partner with performance-based "Incentive Allocations," and most of our separately managed accounts pay performance-based compensation, as described above in "Fees and Compensation." In fact, one Client account provides us with performance-based compensation exclusively, with no management fee. Our registered investment company Client accounts provide only management fees. We retain the discretion to offer investment advisory services to other Client accounts for fees that do not provide performance-based compensation.

Potential Conflicts

We might be considered to have incentives to favor accounts that pay performance-based compensation over accounts that do not, or to favor accounts that pay such compensation at higher

rates, or on otherwise more favorable terms, over accounts that pay such compensation at lower rates or on less favorable terms.

Differences in the method of calculating performance-based compensation among Client accounts, including differences in profit participation rates, could be considered to provide incentives for favoritism. For example, we manage one particular Client account (i) from which the Investment Manager receives performance-based compensation at a significantly higher percentage than that received from other Client accounts or the Colombard Funds, (ii) in which a special purpose entity capitalized by Alambic's principals (and in which certain of the Investment Manager's employees have an indirect beneficial interest) has made a significant capital investment, and (iii) in which losses are borne by that special purpose entity to the full extent of that entity's capital before any losses are borne by other investors. (see Item 5.D., below, "Potential Conflict of Interest in Costs, Incentive Allocation, and Management Fee"). These fee structure and other characteristics provide the Investment Manager with incentives to favor that Client account over other accounts the Investment Manager manages. Those factors could be thought to incent us to favor that account over other accounts that provide lower profit participation rates and that do not impose similar risks of loss.

The Colombard Funds' governing documents permit us to waive or reduce incentive allocations as to particular investors. However, because we manage the Colombard Master Fund's assets as an undivided pool, we are not able to provide more favorable investment management to some investors and not to others, so the potential for a conflict involving incentive allocations does not exist within the Colombard Funds, although it can have the effect of reducing the rate of incentive-based allocations relative to other accounts.

We believe that, due to the quantitative basis for our investment activities and the liquidity of the markets in which we invest, the differences in compensation arrangements do not affect our investment decision-making.

To the extent costs may be borne in part by Client accounts and in part by us (see discussion in Item 5.D above, "Potential Conflict of Interest in Costs, Incentive Allocation, and Management Fee"), we may have an incentive to determine sharing ratios in a manner that reduces the amounts we will bear.

ITEM 7: TYPES OF CLIENTS

We currently provide investment advice to the Colombard Funds and, on a sub-advisory or advisory basis, to separately managed accounts held by other types of Clients, including private funds managed by unaffiliated investment advisers. The Colombard Funds are privately-offered investment funds that are not regulated under the 1940 Act, because of Sections 3(c)(1) and 3(c)(7) of that act and, in the case of the Offshore Funds, their adherence to the substantive provisions of Section 3(c)(7) as to U.S. investors. Each Fund imposes minimum investor qualification standards and minimum investment requirements.

We also advise four series of an investment company that is registered under the 1940 Act (the Alambic Small Cap Value Plus Fund, the Alambic Small Cap Growth Plus Fund, the Alambic Mid-Cap Value Plus Fund, and the Alambic Mid-Cap Growth Plus Fund series of Ultimus Managers Trust, an Ohio business trust ("Ultimus")).

We expect to accept other accounts, including possibly by forming other private funds, acting as an adviser or sub-advisor to additional investment companies registered under 1940 Act, acting as sub-adviser to other third-party investment advisers, and/or accepting separately managed investor accounts.

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

Generally

We seek to deliver capital appreciation; current income is not an objective. We use proprietary, multi-factor models to actively manage diversified portfolios, primarily in publicly traded equity securities.

Quantitative and fundamental analyses are the primary forces driving investment selection, both for the Colombard Funds and for External Accounts. We have developed (and will continue to develop and refine) proprietary, multi-factor “stock-selection” models that are intended to predict the future performance of individual securities. The exact nature of these models varies depending on the sub-segment of the market being examined.

We use our models to identify underpriced and overpriced securities across a range of market segments. We do so frequently, constantly evaluating potential portfolio adjustments and trading opportunities. While we rely heavily on our proprietary models for making investment decisions, we have the ability to exercise discretion and override the models when we deem appropriate.

Many of the models we use rely on factors and projections (expressed or implied) that stretch out many years into the future. However, we expect that the average holding period for each position will be more closely related to the speed at which the security prices converge to their perceived intrinsic values (as opposed to the time frame of the model), the rate at which higher return investment options become available, and trading costs.

For the Colombard Funds, we generally select investments from approximately the largest 4,000 companies in the United States when ranked by market capitalization, particularly those that pass certain minimum-liquidity screens. However, we may select investments with smaller market capitalizations or other liquidity levels, sectors or styles (*e.g.*, growth vs. value). For External Accounts, we refine our parameters in line with the objectives and limitations set forth in their investment management agreements. Some, but not all, External Accounts also engage in short selling, depending on the Clients’ objectives.

Currently, for the Colombard Funds we take both long and short positions. While our approach has resulted in returns that have a relatively low correlation with those of the equity market overall, we do not intend for the Colombard Funds’ portfolios to be purely market neutral; on average, we expect the Colombard Funds to be somewhat “net long.” Some, but not all, External Accounts also employ leverage, depending on the Clients’ objectives.

The Colombard Funds use margin borrowing and other techniques to leverage their capital. Over time, we expect the Colombard Funds to add foreign securities and other investments that we believe can enhance portfolio returns. We believe our core, quantitative modeling approach can be applied to portfolios with different risk-return preferences.

The registered investment companies we advise do not sell securities short or leverage their investments. We expect to have other Clients in the future with similar strategies.

Investing in securities involves a risk of loss that investors should be prepared to bear. Our strategies are appropriate only for experienced and sophisticated persons who are able to bear the risk of substantial impairment or loss of the assets we manage for them (including through the Colombarde Funds).

Material Risks of Our Strategy

The following is a summary of some of the material risks associated with our investment activities. It does not attempt to describe all the risks associated with those activities.

Investment Selection; Reliance on Alambic and Key Personnel. We believe the primary risk of our investment strategy relates to investment selection – the risk that our techniques may, at least over certain periods, result in selections of securities or combinations of securities positions that decline in value or do not appreciate as much as alternatives. The Colombarde Funds’ and External Accounts’ success depends on the ability of Alambic, its quantitative models, and its personnel, particularly Albert Richards and Brian Thompson, to develop and implement investment strategies to achieve the Colombarde Funds’ investment objectives. The Colombarde Funds’ and External Accounts’ investment performance could be materially and adversely affected if Mr. Richards or Mr. Thompson were to die, become ill or disabled, or otherwise cease to be actively involved in managing the Colombarde Funds’ or External Accounts’ portfolios. Investors have no right or power to take part in the Colombarde Funds’ management.

General Economic and Market Conditions. Our Clients’ investments may be affected by general economic and market conditions, such as interest rates, availability of credit, inflation rates, economic uncertainty, changes in laws, developments in governmental regulation and national and international political circumstances. These factors may affect the success of the businesses in which our Clients’ portfolio companies are engaged, as well as the markets for the securities Clients’ accounts hold. Unexpected volatility or illiquidity could impair the Colombarde Funds’ profitability or result in losses.

Reliance on Quantitative Models, Data, and Technology. Client investment results are driven primarily by Alambic’s use of proprietary multi-factor “return estimation” models to predict future performance of individual securities and take portfolio action based on those predictions. We rely heavily on proprietary computer code, and on computer processing and communications resources, to run and use these models. The models, systems, and processes are complex and depend fundamentally not only on effective conceptual design and on the functionality of Alambic’s technology, but also on the integrity and reliability of third party data inputs and systems. Client investment performance could be materially and adversely affected if any aspect of our quantitative decision-making and implementation processes were to fail to function as designed, if data on which they rely were to be contaminated, corrupted, or interrupted, or if third party communications and transaction processing systems were to fail to operate effectively and accurately.

Risks of Quantitative Investment Approach. In addition to the foregoing risks, some factors that can affect quantitative investing include the following:

- *Changes in Markets and Factors.* There are numerous examples of quantitative investment strategies, including some that were quite successful for extended periods, which have ceased

to work, sometimes suddenly. This can be a result of changes in market forces and phenomena that affect the relevance of factors that drive model results. While we analyze a broad range of different factor inputs to our quantitative model set, important additional factors may be missed that could, in the future, drive performance meaningfully away from our expectations.

- *Programming Errors.* Even if the basic concepts of our model are sound, programming errors may prevent the translation of these concepts into positive investment returns. Errors may not affect results under all market conditions, manifesting only when particular circumstances arise and create unexpected results. As part of its ongoing evaluation and development of its models and the implementing software, Alambic may discover and correct programming errors.
- *Bad Data.* Inconsistencies and corruption can occur in the various data sets used by our models (such as historical price and market capitalization data, and past financial data, such as balance sheets, income statements and cash flow statements), and can go undetected. Bad data can result from many different sources, including the reporting companies themselves (both intentional and unintentional) and the various data vendors that aggregate individual company reports into the large data sets that Alambic uses in its models. We devote considerable effort to developing, refining, and deploying data-checking algorithms, intended to identify inconsistencies and errors in these data sets before they affect the results generated by our models. These procedures have identified errors on multiple occasions. However, there can be no assurances that all future errors will be discovered before the erroneous data are used as inputs to Alambic's models. Alambic generally is not able to hold data vendors responsible for losses Clients may suffer as a result of errors in the data these vendors provide.
- *Simplifying Assumptions.* Many of the mathematical techniques Alambic uses involve varying degrees of simplifying assumptions. Should market relationships shift to the point where these assumptions are no longer valid, losses could result in Client accounts.
- *Correlation with Other Quantitative Investors.* While our models are proprietary and unique, the approaches to portfolio construction, and as a result the Colombard Funds' and External Accounts' overall holdings, could overlap significantly with those of other investment funds with large, and possibly highly leveraged investments. In 2007, quantitative strategies with substantially overlapping holdings experienced sudden, large withdrawals, resulting in margin calls and losses unrelated to the factors considered by the models underlying those strategies. We will attempt to minimize correlation with other, heavily invested pools of capital, but will be limited in our ability to do so, both because of the lack of public information about other investors' portfolio structures and because of the inherent overlap in factors that affect portfolio construction. Unexpected events external to the issuer-related and market-related factors generally considered in portfolio construction could cause concurrent liquidation activity that suddenly diminishes the value of the Colombard Funds' and External Accounts' portfolios.

Reliance on Technology; Cyber-Risk. Alambic relies heavily on computer hardware and software, online services, data feeds, trading platforms, and other computer-related and communications technology and equipment to implement our Clients' strategies and investment and trading activities. Should events beyond our control cause a disruption in the operation or security of any of that technology or equipment, our Clients may experience losses or other adverse effects.

Our Clients (in particular, the Colombard Funds) are subject to risks associated with a breach in Alambic's, their prime brokers' or other custodians', other counterparties', their Administrators', and/or their other service providers' cyber-security. Cyber-security is a generic term used to describe the technology, processes, and practices designed to protect networks, systems, computers, programs, and data from "hacking" by other computer users, other unauthorized access, and the resulting damage and disruption of hardware and software systems, loss or corruption of data, and misappropriation of confidential information. Although Alambic has implemented various measures designed to manage risks relating to cyber-security incidents, it is possible that events such as computer data theft, "worms," viruses, other cyber-attacks could occur. Further, power failures or communications system disruptions could affect our systems' operability.

If our systems were compromised, became inoperable for extended periods, or ceased to function properly, it could be necessary for us to make a significant investment to fix or replace them and to seek to remedy the effect of these issues. The failure of these systems and/or our disaster recovery plan for any reason could cause significant interruptions in our operations, including investment activities in Client accounts, and could result in a failure to maintain the security, confidentiality or privacy of sensitive data, including personal information. In particular, if a cybersecurity breach were to occur, our Clients could incur substantial costs, including those associated with: forensic analysis of the origin and scope of the breach; increased and upgraded cyber-security; investment losses from sabotaged trading systems; identity theft; unauthorized use of proprietary information; litigation; adverse investor reaction; the dissemination of confidential and proprietary information; and reputational damage. They could even suffer a theft of assets. Any such breach could expose both our Clients and Alambic to civil liability, as well as regulatory inquiry and/or action. In addition, any such breach could cause substantial withdrawals from the Colombard Funds. Investors could also be exposed to additional losses as a result of unauthorized use of their personal information.

Alambic's custodians and counterparties, including prime brokers, other custodians, other counterparties, Transacting Parties, and exchanges, also rely critically on computer-related and communications technology and equipment, and are also susceptible to cyber-related risks. Should they experience failures or disruptions in the operation of any of their systems or technologies, or other cyber-security incidents, our Clients could experience losses, liabilities, or other adverse effects that Alambic may be unable to prevent or to mitigate.

Use of Leverage. Some Clients (including the Colombard Funds) leverage their investment positions considerably by borrowing funds from securities brokers or dealers, banks, or others. They may also use derivatives to leverage their capital. Leverage increases both the possibilities for profit and the risk of loss. At high leverage levels, relatively small changes in a Client's investment positions can have extremely detrimental (negative) effects on the account's net assets. Borrowings will usually be from securities brokers and dealers and are typically secured by the cash generated from selling those securities in the relevant brokerage account. Under certain circumstances, such a broker or dealer may demand an increase in the collateral that secures the Clients' obligations, and if a Client is unable to provide additional collateral, the broker or dealer could liquidate assets held in the Client's account to satisfy the Client's obligations. Liquidation in that manner could have extremely adverse consequences, including sales at disadvantageous times and prices and the acceleration of tax consequences.

Hedging, Generally. Hedging strategies in general are usually intended to limit or reduce investment risk, but they can also be expected to involve transaction costs and may inherently limit or reduce the potential for profit. A key component of the Colombard Funds', as well as External Accounts', strategy is to take long positions in certain investments that we believe to be undervalued, and

corresponding short positions in similar investments that we believe to be overvalued, thereby reducing – or “hedging” – a significant amount of underlying market risk. There can be no assurances that these “hedges” will work in the way in which they are intended. The Colombar Funds and External Accounts will also not attempt to hedge all their investment positions.

Short Selling. Some Clients (including the Colombar Funds and certain of our External Accounts) sell securities short as a regular part of their investing activities. Clients may do so to seek profit from declines in the prices of securities they consider overvalued, or to hedge long positions. While the potential loss on a “long” investment is generally limited to the value of the investment, the potential loss on a “short” position is, in theory, unlimited.

Small Capitalization Stocks. Most of our Clients generally invest in securities passing a (relatively low) liquidity screen. As a result, they invest a portion of their assets in stocks of companies with relatively small market capitalization. Investing in these stocks can involve higher risks than investing in stocks of larger companies. For example, prices of small-capitalization and even some medium-capitalization stocks are often more volatile than prices of large-capitalization stocks, and the risk of bankruptcy or insolvency of many smaller companies (with the attendant losses to investors) may be higher than for larger companies. In addition, thin trading in some small-capitalization stocks may make an investment in those stocks less liquid, as well as more costly to trade.

Non-U.S. Investments. Although our Clients presently invest in U.S.-listed securities almost exclusively, we may expand their investing universe to include securities of non-U.S. listed companies and/or securities denominated in currencies other than U.S. dollars. These may include securities issued by companies in, and traded in, so-called “emerging markets.” Non-U.S. investing, and investing in emerging markets in particular, will subject the Funds to certain risks not typically associated with investing in securities in the United States. Many non-U.S. stock markets are not as developed or efficient as those in the United States and may be more volatile than U.S. markets. The costs and expenses of investing in non-U.S. markets are generally higher than in the United States. There is generally less publicly available information about non-U.S. companies, as compared with U.S. companies. This makes it more difficult for us to keep informed of corporate actions that may affect the price of a particular security. Additionally, some non-U.S. economies are less stable than the U.S. economy, due to, among other things, volatile political environments, less stable monetary systems and/or external political risks.

Portfolio Turnover. Our Client accounts generally have a meaningfully higher portfolio turnover than many other investment funds and the brokerage commissions they incur may be higher than those incurred by a Client with a lower portfolio turnover rate.

ITEM 9: DISCIPLINARY INFORMATION

We have not been involved in any legal or disciplinary events since our inception that would be material to a client’s evaluation of our company or our personnel.

ITEM 10: OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS

Neither we, nor any of our employees, are registered, or have an application pending to register as a broker-dealer or registered representative of a broker-dealer, futures commission merchant, or commodity pool operator. Neither we, nor any of our employees, have any relationships or arrangements with other financial service companies that pose material conflicts of interest.

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

Code of Ethics

We have adopted a Code of Ethics (the “Code”) for the purpose of instructing our personnel in their ethical obligations and to provide rules for their personal securities transactions, among other things. We and our personnel owe a duty of loyalty, fairness and good faith towards our Clients and their investors, and seek to adhere not only to the specific provisions of the Code, but to the general principles that guide the Code.

The Code covers a range of topics that, among other things, include: 1) general ethical and confidentiality principles, 2) reporting employee personal securities accounts and approval processes for employee personal trading, 3) political donations and pay-to-play rules, 4) gifts and entertainment reporting, 5) reporting ethical violations, 6) distribution of the Code, and 7) review and enforcement processes.

Our employees, limited partners, and officers (“Associated Persons”) may own an interest in or buy or sell for their personal accounts the same securities our Clients buy or sell. Our policies seek to ensure that Associated Persons do not use their positions with us, and their knowledge of Client activities, to benefit personally from the short-term market effects of those activities. To that end, it is our policy that Associated Persons must pre-clear personal transactions in the types of securities our Clients trade with our Chief Compliance Officer and that we regularly monitor those transactions for appearances of inappropriate trading activities. *See, Aggregation of Orders*, in Item 12, below.

Alambic will provide a copy of its Code of Ethics to any Client or prospective Client, or to any current investor in a Fund, upon request. Such a request may be made by submitting a written request to Alambic at the address on this brochure’s cover page.

Potential Conflicts of Interest

Conflicts may arise between our interests on the one hand and those of our Clients (or, in the case of the Colombard Funds, investors) on the other. Our agreements with the Colombard Funds grant us and the General Partner broad discretion as to many matters and limit our fiduciary duties.

Other Business Relationships and Activities

Our agreements with our Clients do not limit our or our personnel’s other activities, even where those activities may compete with those Clients and/or may involve substantial amounts of time and resources. Alambic and its related persons may invest or have an interest in other investment funds or accounts as well, and may themselves invest or trade in securities and other instruments, including positions in which its Clients invest.

Managing multiple accounts could be viewed as creating a conflict of interest in that our time, effort, and resources must be allocated between managing various accounts. It can also create other conflicts: We could have, or appear to have, incentives to favor some accounts over others in making and implementing investment and trading decisions.

Here are some factors that could be viewed as giving rise to incentives to favor one Client account over another:

- Some accounts' agreements to pay us or the General Partner higher performance-based compensation than others;
- Some accounts' agreements not to pay performance-based compensation;
- The existence of a loss carryforward for one Client's account at a time when External Accounts do not have a loss carryforward;
- Significant equity ownership by us or our principal owners in an account (or profit- and risk-sharing arrangements that create equity-like incentives); or
- An account owner's willingness to "seed" new investment funds for us.

In particular, as noted elsewhere in this brochure, Alambic manages one particular Client account (i) from which it receives performance-based compensation at a significantly higher percentage than the Incentive Allocation to which Colombard Fund investors are subject, (ii) in which a special purpose entity capitalized by Alambic's principals (and in which certain of the Investment Manager's employees have an indirect beneficial interest) has made a significant capital investment, and (iii) in which losses are borne by that special purpose entity to the full extent of that entity's capital before any losses are borne by other investors. These characteristics provide Alambic with incentives to favor that account over other Client accounts we manage, including the Colombard Funds.

None of the agreements governing our relationships with our current Clients requires us to take any particular approach to dealing with potential conflicts other than to allocate investment and trading opportunities among Clients on a fair and equitable basis. More particularly, none of those agreements obligates us to give any Client priority over any other Client (including accounts in which we or our owners or employees have ownership interests) as to any investment or trading opportunity, and none of those agreements requires us to provide any Clients with any particular investment opportunity or refrain from ourselves taking advantage of any investment opportunity that could be beneficial to any account.

We attempt to treat all accounts we manage fairly and equitably over time. Our efforts may include formal policies and procedures regarding particular trading practices and opportunities, such as trade aggregation and allocation procedures. We may develop, change, and rescind policies, procedures, and practices from time to time, in our sole discretion, as we consider appropriate to foster equitable treatment of all accounts.

Transaction and Investment Opportunities

Investment Opportunities. Where one Client account's investment objectives and strategies overlap with, or are substantially the same as, other accounts', our processes will often generate buy or sell decisions for the same securities at the same time for those accounts. However, account-specific

factors could sometimes cause this not to be the case. Investment and trading activities among the Colombaro Funds and External Accounts may differ significantly. There may even be situations in which accounts are on “opposite sides” of the same position (*e.g.*, one account may hold a long position in a security, while another holds a short position). Factors giving rise to these differences could include, among others, differences in investment objectives or strategies (including differences in permitted or targeted proportions of positions’ size relative to account size, or in timing and price targets), differences in accounts’ cash availability or ability to borrow, differences in pending redemptions/withdrawals or subscriptions/capital additions, and/or differences in potential withdrawals or redemptions due to different investor rights. While Alambic may in some circumstances be viewed as having incentives to favor some Accounts over others in investment decision-making, we believe our quantitative, model-driven investment decision-making, substantially limits the potential impact of such incentives, and we otherwise attempt to ensure that all accounts are treated equitably.

Trading. See the discussion of Brokerage Practices, below.

Foregone opportunities. While we do not currently foresee it, some accounts could hold securities positions that might be adversely affected by actions other accounts might take. In such a case, we could cause some accounts to forego trading opportunities that might otherwise be profitable for them. This could be because of the perceived adverse effect on another account, or it could be because of restrictions on our trading activities imposed by other accounts (*e.g.*, for regulatory reasons applicable to those other account holders) or the possibility that we might be subject to criticism by a Client, even in the absence of a substantive adverse impact on that Client’s account.

Control Situations. While we do not currently foresee it, one or more accounts could invest in securities issued by a company of which our Clients are considered “affiliates” or together own beneficially more than 10% of the outstanding voting securities. In such a case, we could face potential adverse economic consequences if an account were to trade in that company’s securities under various circumstances. The potential for such consequences could create an incentive for us to avoid transactions in the securities that might otherwise be beneficial for our Clients.

Asset Valuation

While some Clients value the investments in the accounts we manage, we have substantial discretion in determining the value of the Colombaro Funds’ assets. Most marketable securities and other instruments are valued based on prices reported in the public markets. However, where third party pricing is not readily available or, in our view, not indicative of the value the Colombaro Funds could realize on an investment position (or the amount the Colombaro Funds would have to pay to close a position), valuation will be in our discretion.

We may have incentives to assign or recommend higher values to securities than those securities could be sold for. Assigning a relatively low value to nonmarketable securities or other investments would reduce, and may eliminate, any Incentive Allocation to which the General Partner might otherwise be entitled for the relevant period or increase the amount of loss carryforward to be recovered before an Incentive Allocation may be made. Any reduction in the value of any assets would reduce the Management Fee to which we are entitled.

For other Client accounts, valuation is generally determined primarily by the Client-selected administrator, with Alambic generally being consulted on an as-needed basis only.

ITEM 12: BROKERAGE PRACTICES

Client accounts incur substantial brokerage commissions and other transaction expenses. For most Clients, we have complete discretion in deciding what brokers, dealers, and other financial intermediaries and counterparties (each, a “Transacting Party” and collectively, “Transacting Parties”) through or with which to execute or enter into portfolio transactions. For those Clients we generally also have complete discretion to negotiate compensation arrangements and transaction terms with Transacting Parties. However, some Clients’ custodial arrangements (established by them) limit our discretion to select Transacting Parties (*e.g.*, require prior approval of Transacting Parties other than their custodian) and/or may affect our selection of Transacting Parties in particular circumstances. Requirements or limitations a Client imposes relating to our discretion to select Transacting Parties for that Client’s account, particularly if they affect the Client’s ability to participate in order-aggregation (described below), may adversely affect the Client’s execution costs and possibly the prices at which transactions are effected relative to other Clients’ transactions in the same securities. *See* “Aggregation of Orders,” below.

Compensation arrangements with Transacting Parties include not only commissions for transactions effected on any agency basis, but also compensation implicit in prices of transactions directly with Transacting Parties acting as principal (such as market-makers for over-the-counter securities) and dealers in fixed income securities and derivatives. The following describes some noteworthy aspects of our use of, and relationships with, Transacting Parties, where we have full discretion to select those Transacting Parties.

In choosing Transacting Parties, we will generally seek “best execution” of the relevant account’s securities transactions. What constitutes “best execution” and determining how to achieve it are, in many cases, inherently uncertain. In evaluating whether a Transacting Party will provide best execution, we will consider a range of factors. These include, among others: (i) commission rates and other transaction costs; (ii) ability to obtain securities to borrow for short sales, charges for such borrowing, and stability of loans from the Transacting Party; (iii) a Transacting Party’s execution capabilities, including electronic connectivity and algorithm availability; (iv) execution, clearance and settlement and error correction capabilities of a Transacting Party; (v) a Transacting Party’s reliability and financial stability; (vi) the market for the security; (vii) the size of the transaction; (viii) the Transacting Party’s willingness to commit capital; and (ix) as discussed more fully below, the nature, quantity and quality of research and other services and products provided by the Transacting Party. We may enter into exclusive arrangements with one or more brokers to achieve volume pricing discounts. We are not required to select the Transacting Party that charges the lowest transaction cost, even if that Transacting Party can provide execution quality comparable to other Transacting Parties. At times, our Clients may pay more than the lowest transaction cost available to obtain services and products other than the execution of securities transactions.

When a Transacting Party provides us with services or products in addition to transaction execution, or pays for those services or products, we are said to have acquired those services or products with the relevant client’s “soft dollars.” This practice inherently involves the potential for conflicts of interest: To the extent investment managers can use soft dollars to receive services (such as research materials) for which they would otherwise have to pay, they have incentives to cause their clients to pay more in commissions and transaction costs than would otherwise be optimal for the clients. This could take the form of higher commission rates and choosing Transaction Parties on the basis of their willingness to provide benefits for soft dollars, rather than on the basis of pure execution capability.

Section 28(e) of the Securities Exchange Act of 1934 provides investment managers a safe harbor from claims that using soft dollars breaches the investment managers' fiduciary duties: an investment manager may use soft dollars to acquire "research" and "brokerage" services and products for which the Funds would not otherwise be required to pay, *if* certain conditions and requirements are met. For these purposes, "research" services or products include advice, analyses or reports that express reasoning or knowledge as to the value of, investing in, or trading securities, or as to issuers, industries, economic factors and trends, portfolio strategy or performance, but only to the extent we use them for lawful and appropriate assistance in making investment decisions for our Clients. "Brokerage" services and products are those used to effect portfolio transactions for our Clients or for functions that are incidental to effecting those transactions (such as clearance or settlement related to effecting clearing or settling transactions) or regulatorily required in connection with transactions. To be protected under the safe harbor, we must, among other things, determine that commissions paid are reasonable in light of the value of the "brokerage" and "research" services and products acquired. In addition, Section 28(e) only protects the use of commissions or commission equivalents on transactions in securities; using markups and markdowns on many principal transactions, commissions paid to futures commission merchants on transactions in futures contracts, and compensation from transactions in swaps or other derivative instruments to pay for research or brokerage is not protected. Section 28(e)'s "safe harbor" protects the use of one account's soft dollars even when the research and brokerage services and products acquired assist an investment manager in managing other accounts.

Our agreements with Clients generally permit us to acquire a wide variety of services and products using the Client's soft dollars, although some limit such services and products to those that constitute "brokerage" and "research" within the meaning of Section 28(e). While we presently have no formal soft dollar arrangements, we may use soft dollars to acquire "brokerage" related services and products other than simple execution of particular transactions, as well as some "research" services and products. Brokerage-related services and products may include algorithmic trading systems and other electronic transaction execution, clearing and settlement services, and potentially also data and research-related services (including, in some cases, services for which the relevant Client is expressly required to pay). To the extent a prime broker's provision of custody, clearing and settlement, and reporting and analytical services is in consideration of transaction execution business with that prime broker (rather than in consideration of interest or similar charges based on credit provision or other fees), the relevant Client and, in some cases and to some extent, Alambic, will be considered to have acquired those services with soft dollars. We will generally only use transaction-related compensation (or financing or other compensation) paid to Transacting Parties to acquire such services when we believe the services provide appropriate benefits primarily to the Clients, rather than primarily to us or the General Partner. However, services such as reporting, analytical and information management capabilities provided by the Colombard Funds' prime brokers can be of significant benefit not only to us in providing investment management services to our Clients, but also to the General Partner in reporting and recordkeeping and in offering interests in the Colombard Funds and offering our services to External Accounts.

The extent of the conflicts of interest we may face in using soft dollars depends in large part on the nature and uses of the services and products acquired with soft dollars.

"Research." Beyond research for which a Client is already obligated to pay, we may receive, among other things, the following types of "research" from Transacting Parties: (i) reports on or other information about particular companies or industries; (ii) economic surveys and analyses; (iii) recommendations as to specific securities; (iv) financial and industry publications; (v) portfolio evaluation services; (vi) proxy analysis services and systems for assistance with investment decision-

making; (vii) other analytical software; and (viii) other products or services that may enhance the Investment Manager's investment decision-making. Our investment approach does not currently generate much need for most of these resources.

"Brokerage." "Brokerage" services and products (beyond typical execution services) include (but are not limited to): (i) computer systems and facilities (including hardware) used for such things as communicating orders and settlement related information electronically to executing Transacting Parties; (ii) post-trade matching of trade information; (iii) communicating allocation instructions; and (iv) other clearance and settlement functions. To the extent Clients are not already obligated to pay for these services and products, we face the conflicts described above in selecting Transacting Parties to pay for them.

"Mixed Use" Products and Services. We may use soft dollars for products and services that are used in part for research or brokerage purposes and in part for other purposes. These may include reporting, analytical, and other information management services the Prime Broker provides and that we or the General Partner use for such tasks as calculating allocations among investors, reporting to investors, offering interests for sale to prospective investors, and offering securities of other investment funds (including other "feeder" funds that invest in the master fund). To the extent we or the General Partner use such services for those purposes, the services are not considered "research" or "brokerage" services and their acquisition with soft dollars is not protected by Section 28(e).

Client Expenses. We may use transaction-related compensation, as well as financing-related compensation, that a Client's account pays to a prime broker for recordkeeping, custodial, clearing and settling, and related services. To the extent consistent with our agreement with a Client, we may also (but will not necessarily) use soft dollars to pay other costs the Client is obligated to bear, which may include quotation, pricing, and statistical services, order management systems, certain research-related costs, and accounting, bookkeeping, and other ongoing costs (including reimbursement of Alambic for amounts it has advanced in respect of costs the Client is obligated to bear). Because these Clients, and not we, would otherwise be obligated to bear all these expenses, we do not believe we would have the same conflict of interest in selecting a Transacting Party in recognition of that party's payment of them than we would have in using soft dollars to acquire services for which the Clients would not otherwise be obligated. However, for Clients that are pooled investment vehicles, payment of expenses in this way could make it more difficult for the Client's underlying investors to evaluate the Client's expense level and structure.

Other Services and Products. Transacting Parties may provide non-research or non-brokerage services to us. While we do not currently intend to do so, our agreements with some Clients, including the Colombard Funds, permit us to use soft dollars to acquire the following: some of our costs of and equipment used in providing services to those Clients, such as computer and communications equipment we use in connection with our investment analysis and decision-making; mass-market periodical subscriptions; out-of-pocket expenses involved in evaluating potential investment opportunities (including travel, meals and lodging related to such evaluation); and the costs of computer software and equipment used for Fund reporting and other administrative activities, and other costs related to providing services to the Funds that we would otherwise bear. We would have a conflict of interest to the extent these services are paid for by Transacting Parties; we would have incentives to use those Transacting Parties, regardless of whether using them would otherwise be in the relevant Clients' best interests and to pay higher compensation. However, we presently anticipate that most non-research or non-brokerage services that accrue primarily to the benefit of the General Partner and/or us will be paid for by the General Partner and/or us. Should this policy

change in the future (which may happen in our discretion and without notification to investors), it is possible that some Clients' transaction-related payments would be used to pay costs of these types and other Clients' transaction-related payments would not.

Referrals. In selecting a Transacting Party, we may consider the Transacting Party's referrals of investors to the Colombarb Funds, referrals of advisory clients to us, and/or the potential for future referrals. To the extent we would otherwise be obligated to pay for "finding" services, we have a conflict of interest in considering those services when selecting a Transacting Party. We also face a conflict, because we receive higher management fees from increases in the size of Client accounts that pay management fees.

Procedures. Research and other services provided by Transacting Parties on a soft dollar basis may be done so on either a bundled or unbundled basis. When bundled, such services are provided to us on an ostensibly "free" basis, whereas, in reality, the cost of these services is embedded in the commissions or financing charges we pay. When unbundled, Transacting Parties from which we obtain soft dollar services or products generally establish "credits" based on past transactional business (including markups and markdowns on principal transactions, such as transactions with market-makers for NASDAQ securities), which may be used to pay or reimburse us for specified expenses. In other cases, the process may be less formal. A Transacting Party simply may suggest a level of future business that would fully compensate it for services or products it provides. Clients' actual transactional business with a Transacting Party may be less than the suggested level, but may exceed that level, and credits established may exceed the amounts used to acquire additional services and products. This may be in part because the Clients' investment activities generate aggregate commissions in excess of the levels of future business suggested by all Transacting Parties who provide services and products. It also may be in part because those Transacting Parties provide superior execution and are therefore most appropriate for particular transactions.

These procedures are generally consistent with the requirements of Section 28(e) when the products or services acquired constitute research and/or brokerage. However, Section 28(e)'s safe harbor is not available where transactions are effected on a principal basis, as most transactions with market-makers in over-the-counter securities are, with a markup or markdown paid to the Transacting Party. We may nonetheless determine to use such markups and markdowns as soft dollars with which to acquire services and products of the kinds described above.

Directed Brokerage; Prime Broker

We currently have no "directed brokerage" arrangements with Clients. One Client requires us to obtain prior approval to use brokers other than the Client's custodian or pre-approved brokers.

While not "directed brokerage," as noted above, the Colombarb Funds and possibly some other Clients may pay a portion of their own costs using soft dollars, including custodial, clearing, recordkeeping, quotation services, and related services obtained through what is known as a "prime brokerage" arrangement. By using a brokerage firm for these functions, a Client can avoid paying custodial fees that banks charge other institutional investors. Prime Brokers are compensated through brokerage commissions, interest on credit balances, margin borrowings, and stock loans. Although we dictate the Colombarb Funds' choices, the Colombarb Funds might be thought of as "directing" us to place transactions with their Prime Brokers to pay for the custodial, clearing and related services the Funds obtain from the Prime Brokers.

Prime Brokers may provide services to us and/or our affiliates, distinct from the custodial, lending and related services they provide our Clients. These services may include, among other things, information technology, website hosting, portfolio management software license and support services, consulting services with respect to various aspects of our business and introducing us to prospective Fund investors. They may be provided at lower than the market price for similar services or for no charge. A Prime Broker may also enter into financial transactions with us or our affiliates, and these transactions may be on terms more favorable than the terms available with other counterparties. These transactions might include lending money to us or our affiliates. To the extent we or our affiliates receive services from a Prime Broker at lower than market prices, or enter into transactions on terms better than terms available in the market, because we are responsible for selecting the Colombaro Funds' Prime Brokers and negotiating the rates of compensation those funds pay their Prime Brokers, conflicts may exist between our interests and the Colombaro Funds' interests. That is, we may have an incentive to cause those funds to accept less favorable pricing for prime brokerage services (including interest and similar charges on margin borrowings and short positions) than might be available otherwise or to continue to use a Prime Broker when the Colombaro Funds would not otherwise do so.

We currently have no directed brokerage arrangements for our registered investment company Clients. We have discretion to select Transacting Parties for these accounts.

Aggregation of Orders

Our processes generate purchase and sale decisions for each account based on that account's particular objectives, risk parameters, and other requirements and limitations. Those factors differ among accounts and, as a result, at times purchase and sale decisions, sometimes as to the same securities, can be made at different times and in different amounts for different Client accounts. In fact, differences in objectives and parameters, could even give rise to situations in which accounts are on "opposite sides" of the same investment (*i.e.*, one account may hold a long position in a security, while another holds a short position).

In many circumstances, however, similarities in accounts' objectives and parameters result in buy or sell decisions being made for the same security for multiple accounts at essentially the same time. When this is the case, we generally seek to minimize differences in trade execution among contemporaneously executing accounts by aggregating orders for contemporaneously trading accounts and causing all participating accounts to receive the same average price. However, differences in custodial arrangements and clearance and settlement capabilities among accounts the Alambic manages, delays in implementation of cross-platform order management systems and facilities, and interruptions in those systems and facilities, among other things, at times limit our ability to aggregate transactions for contemporaneously trading accounts. In those cases, in lieu of aggregation, we take other steps we consider reasonable in pursuit of execution results that are comparable and equitable among Client accounts. These include placing orders for each trading account with a separate broker or other counterparty, essentially simultaneously, and/or placing orders with such transacting parties for execution at the volume-weighted average price for a specified period. We monitor trading results and strive to minimize differences in those results over time and to prevent any account from receiving consistently better prices than other accounts.

We and/or our Associated Persons may buy or sell particular securities for our or their own account that are not deemed appropriate for our Clients at the time, based on investment considerations that differ from the considerations on which decisions as to investments for our Clients are made. There could even be rare situations in which we or an Associated Person and a Client are on "opposite sides"

of the same investment (*i.e.*, the Associated Person may hold a long position in a security in which a Client holds a short position), as a result of different approaches to security evaluation (*e.g.*, we or the Associated Person may be looking at a fundamental analysis of a company's product or service, whereas our Clients presently use solely quantitative metrics). We do not, however, permit cross transactions between us or Associated Persons and our Clients.

ITEM 13: REVIEW OF ACCOUNTS

We review each Client portfolio daily as part of our ongoing portfolio management activities. Our Chief Risk Officer/President, with our Chief Compliance Officer and Controller, generally conduct those reviews. We also periodically conduct more broad-based, strategic reviews, in which the Chief Risk Officer/President, the Chief Executive Officer, the Chief Financial Officer/Chief Operating Officer and the Chief Compliance Officer participate.

We do not provide formal reports to the Colombard Funds. Each Colombard Fund prepares annual financial statements that it causes to be audited by an independent certified public accounting firm and provides those statements, either directly or through its administrator, to its investors and, in the case of the Colombard Offshore Fund, its board of directors. The Colombard Funds, through their administrator, provide investors with monthly account statements and quarterly transparency reports. The Colombard Domestic and Master Funds also provide investors with Forms K-1 or other appropriate information to enable investors to prepare their income tax returns.

ITEM 14: CLIENT REFERRALS AND OTHER COMPENSATION

Other than as discussed above in "Item 12: Brokerage Practices," we do not receive any other economic benefits from non-clients in connection with the provision of investment advice to Clients and we do not compensate any person for investor or Client referrals.

ITEM 15: CUSTODY

Under the SEC's custody rules, because the General Partner is our affiliate, we are considered to have "custody" of the Colombard Domestic Fund's and the Colombard Master Fund's assets, even though independent custodians (the Prime Brokers) actually holds those assets. The SEC's rules generally require SEC-registered investment advisers that have custody of their clients' assets to cause certain account statements detailing holdings and transactions to be sent to clients and impose certain other obligations. However, advisers to investment funds like the Colombard Funds need not comply with those requirements if, among other things, the Colombard Funds provide investors with audited financial statements by a specified time each year, and those audited financial statements meet certain requirements. We satisfy those conditions and, therefore, are not subject to reporting and other obligations.

For all External Accounts, we do not have custody of the assets in the accounts. Our investment management agreements do not provide for the deduction of fees or expenses, and we have no authority over account assets other than to trade within the parameters of the investment management agreements.

ITEM 16: INVESTMENT DISCRETION

Our agreements with the Colombaro Funds grant us complete discretion to manage the Colombaro Funds' investment portfolios, without any specific limitations. See the description, above, in "Advisory Business" and "Methods of Analysis, Investment Strategies and Risk of Loss." We also have complete discretion, within agreed parameters as determined by our investment management agreements and/or relevant prospectuses or offering materials, to manage all other Client accounts.

ITEM 17: VOTING CLIENT SECURITIES

Our written agreements with our Clients generally grant us the authority to vote proxies on securities in Client accounts but, except for agreements with our registered investment company Clients, do not obligate us to do so.

Alambic's portfolio management style emphasizes (among other criteria) the creation of a diversified market-neutral portfolio of equity securities. Securities are selected primarily on the basis of quantitative criteria and are generally held for relatively short periods, often for extremely short periods. The investment style for which our Clients have engaged us does not, for the most part, contemplate holding securities for long-term appreciation. In most cases, it contemplates buying and selling in reaction to developments in the market's perception and pricing of securities, to a significant extent relative to the perception and pricing of other securities; it does not involve attempting to influence the development and maintenance of successful business strategies of corporate issuers. For these reasons, we believe it is rarely in our Clients' interest for us to devote significant resources to assessing issues presented for shareholder vote and casting votes.

Alambic uses the services of a third-party proxy voting service to vote all proxies for the accounts of our registered investment company Clients. Alambic also uses this third-party service provider to vote proxies on behalf of our other Client accounts, although there may be infrequent instances, when it is not considered a material benefit to these Clients, where certain proxies are not voted.

ITEM 18: FINANCIAL INFORMATION

We have never filed for bankruptcy and are not aware of any financial condition that is expected to affect our ability to manage client accounts.