

Form ADV Part 2A Brochure

February 7, 2024

Euphrates Advisors LLC

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This Brochure provides information about the qualifications and business practices of Euphrates Advisors LLC (“Euphrates,” “the firm” or “we”). If you have any questions about the contents of this Brochure, please contact us at (202) 507-6380 or info@euph.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 Euphrates is also available on the SEC’s website at www.adviserinfo.sec.gov.

Our registration with the SEC does not imply a certain level of skill or training.

Item 2 – Material Changes

This is Part 2A of our Form ADV, updated as of February 7, 2024.

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Item 4 – Advisory Business

Euphrates is a Delaware limited liability company founded in 2010. The principals of Euphrates are Geoffrey Batt, Grant Felgenhauer, Daniel Cloud and Shwan Taha.

We manage two private investment funds that invest in Iraq. Euphrates Iraq Fund Ltd. invests primarily in publicly-traded securities of companies based or doing substantial business in Iraq. Euphrates Ventures LP invests primarily in equity and equity-related investments in private companies based or doing substantial business in Iraq. Euphrates may in the future manage additional private funds or separate managed accounts for clients.

Investors and prospective investors in each Euphrates Fund should review the confidential private placement memorandum and other governing documents for the relevant fund for more complete information about each fund.

As of December 31, 2023, Euphrates managed net assets of approximately \$372 million on a discretionary basis.

Item 5 – Fees and Compensation

Euphrates Iraq Fund Ltd. is subject to an annual management fee equal to 2% of net assets, paid quarterly in advance, and an annual performance allocation equal to 20% of net gains as of the end of each year in excess of any prior net losses. Euphrates Ventures LP is subject to an annual management fee equal to 2% of each investor's capital commitment during the investment period and 1.5% of each investor's net invested capital thereafter, and a carried interest equal to 20% of distributions to investors after each investor has received a return of 100% of such investor's capital contributions. Other clients may in the future be subject to different fee arrangements.

All investors in any Euphrates Fund should review the relevant fund's governing documents for more complete information on the fees and compensation payable by the fund. We may negotiate, waive or modify the management fee or performance-based compensation for certain client accounts or investors in a Euphrates Fund, including employees and affiliates of Euphrates, without entitling any other investors to a waiver or modification. A client agreement can be cancelled as mutually agreed upon by the parties or as specified in the investment advisory agreement. Upon termination of any account, any prepaid, unearned fees will be promptly refunded, and any earned, unpaid fees will be due and payable.

Our compensation from each fund is exclusive of brokerage commissions, transaction fees, custodial fees, and other costs and expenses that are incurred by each Euphrates Fund or client account. Our clients will incur other charges imposed by custodians, brokers or other counterparties, as well as interest and commitment fees on loans and debit balances, transfer taxes, wire transfer and electronic fund fees, and other fees and taxes on brokerage accounts and securities transactions. The Euphrates Funds also incur certain operating expenses, including administration, accounting, tax, legal, and directors' fees and expenses. Investors should refer to the governing documents for each Euphrates Fund for more detailed information about its operating expenses. Expenses are allocated among participating accounts in

proportion to their participation in a particular investment, in proportion to their respective net asset values, or in such other manner as we determine to be equitable.

See Item 12 (Brokerage Practices) below for more information about brokerage commissions incurred by our clients.

Item 6 – Performance-based Fees and Side-by-Side Management

We charge performance-based compensation to the Euphrates Funds and certain client accounts as described above in Item 5. Performance-based compensation arrangements may create an incentive for us to recommend investments that may be riskier or more speculative than those that would be recommended under a different fee arrangement. Such fee arrangements may also create an incentive to favor higher fee-paying accounts over other client accounts in the allocation of investment opportunities.

We have adopted procedures to ensure that all investment opportunities are allocated among clients in a manner that is fair and equitable to all clients, and to prevent conflicts of interest from improperly influencing our allocation of investment opportunities or otherwise resulting in any client being improperly favored over any other client. Factors we may consider in allocating trades among our clients include: investment policies, guidelines or restrictions applicable to each specific client; tax considerations; cash availability; liquidity requirements for payment of redemptions or other purposes; risk tolerances; restrictions under ERISA or other applicable laws or regulations; account size; and hedging objectives and activity.

Investors in the Euphrates Funds should refer to the governing documents of the relevant fund for more information on the performance-based compensation arrangements relating to each fund.

Item 7 – Types of Clients

Euphrates provides portfolio management services to the Euphrates Funds and may in the future provide advice to other pooled investment vehicles and separate managed accounts for clients. The Euphrates Funds are offered exclusively to accredited investors as defined in Regulation D under the Securities Act of 1933 pursuant to an exemption under either Section 3(c)(1) or Section 3(c)(7) of the Investment Company Act of 1940.

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

Euphrates uses a fundamental, concentrated, research-intensive investment strategy that focuses on publicly-traded securities of companies based or operating in Iraq in the case of Euphrates Iraq Fund Ltd., and equity and equity-related investments in private companies based or doing business in Iraq in the case of Euphrates Ventures LP.

We believe that attractive investment opportunities can be found in companies located in countries like Iraq that are undergoing radically transformative change after a prolonged period of political, social and economic turmoil, the result of which is to create powerful, stubborn and severely misaligned

perceptions regarding potential investment opportunities that frequently escape the attention of foreign investors.

We generally seek to invest in: (1) great businesses available at fair prices, which we define as a business that generates relatively predictable, growing, free-cash-flow streams, and which is controlled by talented, owner-oriented managements who allocate capital intelligently to increase shareholder value; (2) good businesses or assets available at extraordinarily cheap prices, often with an expected catalyst to realize value; and (3) mispriced investments where the market price of a security underestimates or overestimates the probability of a specific political or economic outcome or other event that is expected to lead to a significant change in the valuation of the security.

All investments involve risk of loss. The risk management techniques that we use will not provide any assurance that our clients and investors will not be exposed to risks of significant investment losses. The principal risks of loss include the following:

Risks of Investing in Iraq. Iraq was until recently engaged in a war with ISIS and is seeking to recover from an extended period of extreme social, political and economic turmoil and distress. There is no assurance that it will be successful in these efforts. There are many ongoing risks that could threaten or prevent a broader economic recovery and negatively affect the value of investments in Iraq. These risks include the risks of another war, violence and terrorism, ethnic, sectarian and religious hostilities, civil disorder, potential instability of the Iraqi government, political uncertainty, economic instability, currency devaluation, and inflation or hyperinflation.

Political Uncertainty. Iraq adopted a new form of democratic government relatively recently. It is uncertain how effective the government will be in maintaining order and governing the country, and its existence and ability to govern could be threatened by increased violence, civil disorder, constitutional crises, or other unforeseen domestic or foreign political developments. Even if the government is successful, it is unclear what policies may be adopted or pursued by the Iraqi government. Companies in Iraq may be or become subject to unduly burdensome or restrictive regulation or taxation and may be or become subject to U.S. or other international sanctions. Private companies in Iraq may be placed under some form of state control, or the assets of such companies may be confiscated by the government without or with inadequate compensation to shareholders.

Dependence on Oil Industry. The health and development of the economy in Iraq will be affected greatly, positively or negatively, by the status of the oil industry in Iraq, which will in turn be affected by the ability of Iraqi oil producers to maintain or increase oil production as well as external factors such as the global price for oil and levels of global supply and demand for oil.

Currency Risk. Securities in client portfolios will generally be denominated in the Iraqi Dinar. To the extent these investments are unhedged, the value of such assets will fluctuate with the Iraqi Dinar exchange rate. All else being equal, an increase in the value of the U.S. Dollar compared to the Iraqi Dinar will reduce the U.S. Dollar value of securities in Iraqi markets. We do not generally hedge exposures to the Iraqi Dinar, and we may not be able to hedge such exposure effectively should we decide that hedging is appropriate. Currency volatility, including abrupt and unexpected devaluations, is a common feature of early-stage frontier markets such as Iraq, and it is possible that the Iraqi Dinar could experience a significant devaluation relative to the U.S. Dollar, either as a result of policy action by the Iraqi government or market

forces. In addition, the Iraqi government could impose restrictions on the exchangeability of the Iraqi Dinar.

Illiquidity of Investments. Public securities markets in Iraq are relatively small and illiquid, may be heavily influenced or dominated by a few larger investors or market participants, and may not be subject to consistent or effective regulation and oversight. As a result, Iraqi securities may be subject to greater price volatility than is usually the case with stocks in more developed markets, in some cases to a substantial degree. The limited scope of the public market for securities in Iraq may make it more difficult to value investments for the purposes of determining an account's net asset value, and it may be difficult to sell investments promptly and at reasonable prices. An exchange or regulatory authority could suspend trading in a particular security or contract or otherwise intervene in the market.

Control Investments. We may seek on behalf of one or more clients to acquire a significant or controlling percentage of the common equity of a portfolio company in Iraq. We may appoint one or more representatives to the board of directors of the companies in which we invest. Significant or controlling ownership and serving on the board of directors or as an officer of a portfolio company may in certain circumstances expose Euphrates and our representatives and clients to potential liability if we or they are thought to control, participate in the management of or influence the conduct of a portfolio company.

Settlement and Custody Risks. The securities market and banking, legal and judicial systems in Iraq are relatively undeveloped. All publicly-traded Iraqi securities are currently held at the Iraq Depository Center, although it is expected new custodians will offer services on the Iraqi market in the future. Under certain circumstances, the bankruptcy or default of a bank or broker holding securities may cause investors to experience a loss. Brokers and custodians in Iraq may not observe the same operational standards or be subject to the same regulations regarding the segregation of customer assets from the assets of the broker or custodian, or from assets held on behalf of other customers of the broker or custodian, as brokers and custodians in other more developed markets, and accordingly assets held by a broker or custodian may not be protected from the claims of creditors of the broker or custodian to the same extent as such assets would be were they held by a broker or custodian in the United States or other more developed markets. The ability to enforce contractual and other legal rights in Iraqi courts is uncertain.

Effect of Business Failures. The evolving status of Iraqi laws and regulation makes it difficult to predict the consequences of the bankruptcy or insolvency of an Iraqi company. The insolvency or other business failure of a portfolio investment could have a material adverse effect on a client's portfolio.

Reporting and Accounting Practices. Investors in Iraq generally have access to less detailed and less reliable information, including both general economic and government data as well as information concerning the operations, financial results, capitalization, financial obligations, earnings and securities of public companies. Accounting standards and reporting practices in Iraq may be inconsistent and might not correspond to international accounting standards or generally accepted accounting practices in other more developed markets. Obligations of companies to publish information are also more limited, thus further restricting our ability to perform due diligence on investments. As a result, investors generally do not have access to the same information in respect of Iraqi companies as is generally available in more developed capital markets.

Equity Securities. The market prices of equity securities may be affected by general economic and market conditions, such as a broad decline in stock market prices, or by conditions affecting a specific issuer, such as changes in a company's financial condition or earnings forecasts.

Concentration Risk. Concentration of investment in a relatively limited number of industries and investments may tend to result in more rapid changes in the value of a portfolio, upward or downward, than would be the case if the portfolio were more widely diversified.

Options. We may cause clients to invest in options, warrants and other derivative instruments. Options and derivatives involve additional risks. The purchaser of a put or call option runs the risk of losing his or her entire investment in a relatively short period of time if an option expires unexercised.

Prospective investors are advised to review the governing documents for each Euphrates Fund for a more extensive description of the risks of investing in each fund.

Item 9 – Disciplinary Information

There have not been any legal or disciplinary events that are material to our business or management.

Item 10 – Other Financial Industry Activities and Affiliations

Except as described below, Euphrates and its affiliates are not engaged in any other activities in the financial industry.

Shwan Taha, a principal of Euphrates, is a principal of Melak Investments, an investment advisory firm focused on the Iraqi market, and he is the Chairman and a principal of Rabee Securities, an Iraqi brokerage firm, founded in Baghdad in 1995 and regulated by the Iraq Stock Exchange and the Iraq Securities Commission.

Item 11 – Code of Ethics, Participation or Interest in Client Transactions and Personal Trading

We have adopted a Code of Ethics (“Code”) pursuant to SEC Rule 204A-1 under the Investment Advisers Act of 1940 (“Advisers Act”) for all of our employees, directors or officers (each a “Covered Person”) establishing certain standards of business conduct and fiduciary duties to our clients. The Code requires disclosure of potential conflicts of interest, prohibits the inappropriate use of material non-public information, and provides for monitoring of personal securities trading by employees, among other things.

The Code is based on the underlying principles that:

- Employees must at all times place the interests of clients first;
- Employees are required to conduct all personal securities transactions in accordance with the Code;
- Employees should not take inappropriate advantage of their positions; and
- Employees are required to report any violation of the Code.

The Code prohibits employees from owning or acquiring securities in initial public offerings, limited or private offerings, and individual equity securities that are owned or being actively considered for purchase by any client account. The practical effect of this policy is to prohibit any Euphrates employee from owning securities of companies that are based or doing substantial business in Iraq. Upon employment, employees must report the existence of all personal brokerage accounts to the Euphrates Chief Compliance Officer (“CCO”).

The Code also includes provisions relating to reporting and required approvals of certain gifts and business entertainment, political contributions and outside business activities by employees.

We will provide a copy of our Code to any client, investor or prospective investor upon request.

Item 12 – Brokerage Practices

Subject to the investment objectives, policies and restrictions of each client, we are ordinarily granted discretionary authority by clients to determine the type, amount and price of securities and investments to be bought and sold on behalf of each client, including the selection of, and commissions paid to, brokers.

All brokerage commissions and related transaction costs are paid by clients. Portfolio transactions are executed by brokers and dealers selected by us, based on their ability to provide the best available execution and in consideration of such broker’s provision of, or payment of the costs of, certain services that are of benefit to Euphrates and its clients.

In selecting broker-dealers to effect securities transactions, we seek to obtain best execution by considering factors including, but not limited to, a broker’s reputation, special execution capabilities, liquidity and block-positioning capabilities, financial strength and stability, efficiency of execution and error resolution, the availability of stocks to borrow for short trades, and other factors as Euphrates considers relevant and beneficial to its clients. We are not required to seek to obtain the lowest commission cost on each transaction.

We have, or may in the future have, soft dollar arrangements with brokers and providers from which we receive research and other services and capabilities. We carefully consider the trading costs in relation to the relative value of the benefits received and incur reasonable commissions with reputable firms. Brokers that provide value-added research while satisfying best execution criteria are paid through trading relationships at negotiated commission rates.

Research services obtained from brokers generally include market information, technical data, recommendations, discussions with research analysts, access to and meetings with corporate executives, attendance at seminars or conferences and general reports. We do not attempt to put a specific dollar value on the services rendered or to allocate the relative costs or benefits of those services among various accounts, believing that the research we receive will help us to fulfill our overall duty to our clients and investors. We may not use each particular research service, however, to service each client that may have generated a particular benefit. As a result, a Euphrates Fund or client account may pay brokerage commissions that are used, in part, to purchase research services that are not used to benefit that specific account. Broker-dealers selected by us may be paid commissions for effecting transaction for clients that

exceed the amount other broker-dealers would have charged to effect these transactions if we determine in good faith that such amounts are reasonable in relation to the value of the brokerage and/or research services provided by those broker-dealers, viewed either in terms of a particular transaction or our overall duty to our clients.

Unless otherwise agreed to with a client, we will not ordinarily be responsible for losses resulting from trade errors in client accounts, whether caused by us or unrelated third parties, unless caused by our gross negligence, fraud or willful misconduct. Accordingly, we will not ordinarily be responsible for the consequences of ordinary trade errors, unless caused by our gross negligence, fraud or willful misconduct.

Item 13 – Review of Accounts

To ensure conformity with investment guidelines and objectives, all accounts are reviewed on a daily, monthly or quarterly basis. On a daily basis, the investment team monitors all account activity, including positions, exposures, trading activity and profit and loss.

On a monthly or quarterly basis, the administrator for each Euphrates Fund calculates the net asset value of the fund. We monitor the activities of the fund administrators and review and approve net asset values prepared by the administrators.

The administrator of each Euphrates Fund provides investors with written monthly or quarterly statements detailing their account information. We provide clients and investors with monthly or quarterly reports including unaudited performance. Investors also receive tax statements and audited financial reports for each Euphrates Fund in which they are invested, generally within 120 days of its fiscal year end.

Item 14 – Client Referrals and Other Compensation

We may enter into arrangements whereby we pay a portion of the management fees we receive from clients to third parties who introduce us to clients or investors.

Item 15 – Custody

Currently, all securities listed on the Iraq Stock Exchange are all held on behalf of investors at the Iraq Depository Center, a local custodian supervised by the Commercial Registrar of Iraq, a body within the Ministry of Trade.

Any separate account clients should receive statements at least quarterly from the custodian for the account. You should carefully review such statements and compare them to the account statements that we may send to you.

Investors in the Euphrates Funds receive monthly or quarterly reports from Euphrates and annual audited financial statements.

Item 16 – Investment Discretion

Subject to the investment objectives, policies and restrictions of each client, we ordinarily have discretionary authority to determine the type, amount and price of securities and investments to be bought and sold on behalf of each client, including the selection of, and commissions paid to, brokers.

Item 17 – Voting Client Securities

We have adopted a proxy voting policy that ensures that we will act in the best interest of our clients in determining whether and how to vote on any proxy voting matter. We determine votes on all matters on a case-by-case basis based on the specific proposal to be voted. In the event of a material conflict of interest, we may seek a third-party or client recommendation for voting.

Upon request, we will provide a copy of our proxy voting policy and information on how proxies were voted for a client's account.

Item 18 – Financial Information

We do not have any financial commitments that should impair our ability to meet our contractual and fiduciary commitments to our clients, and we have not been the subject of a bankruptcy proceeding.