

FIRM BROCHURE

AWH CAPITAL, L.P.

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This brochure provides information about the qualifications and business practices of AWH Capital, L.P. If you have any questions about the information contained in this brochure, please contact us at (214) 462-9100. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission (the “SEC”) or by any state securities authority.

This brochure does not constitute an offer, solicitation or recommendation to sell or an offer to buy any securities, investment products or investment advisory services. Such an offer may only be made to eligible persons by means of delivery of an offering memorandum and governing documents that contain the material terms relating to such investment, products or services.

Additional information about AWH Capital, L.P. also is available on the SEC’s website at www.adviserinfo.sec.gov.

March 28, 2024

Item 2: Material Changes

The date of the last annual updating amendment to our firm brochure was March 31, 2023. A summary of certain of the material changes that have been made to our firm brochure since the date of our last annual updating amendment is set forth below:

- We updated our regulatory assets under management as of December 31, 2023. **See Item 4**, Advisory Business.
- We made various additions, revisions and updates to the risk factor disclosures set forth in Item 8. **See Item 8**, Methods of Analysis, Investment Strategies and Risk of Loss – General Economic and Market Conditions, Terrorist Attacks, War and Natural Disasters, Cyber Security Breaches and Identity Theft, New Private Fund Adviser Rules and Financial Institution Risk; Distress Events.

The information set forth in this brochure is qualified in its entirety by the applicable offering and/or governing documents. In the event of a conflict between the information set forth in this brochure and the information in the applicable offering and/or governing documents, such documents will control.

We encourage all clients and investors to carefully review this document in its entirety.

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Item 4: Advisory Business

FIRM DESCRIPTION

AWH Capital, L.P. (“AWH Capital”), a Delaware limited partnership and private investment advisory firm, was formed in 2002. We provide investment management and other services solely with respect to an affiliated private pooled investment vehicle (the “Fund”), and have full discretionary authority with respect to its investment decisions. Our investment advisory services are provided in accordance with the investment objectives and guidelines set forth in the Fund’s offering and governing documents. The information set forth in this brochure is qualified in its entirety by the Fund’s offering and governing documents.

PRINCIPAL OWNERS

The general partner of AWH Capital is AWH Investment Management, LLC, a Delaware limited liability company, which is owned and controlled by Austin W. Hopper. Mr. Hopper also is a limited partner of AWH Capital.

TYPES OF ADVISORY SERVICES

We serve as general partner of, and investment manager to, the Fund, and the Fund is our sole advisory client. We are responsible for investing and re-investing the capital of the Fund in securities, financial instruments and/or other assets in accordance with the investment objectives, policies and guidelines set forth in the Fund’s offering and governing documents. **See Item 8 below.**

We tailor our advisory services to the individual needs of the Fund, and investors generally are not permitted to impose restrictions on investments in certain securities or types of securities.

ASSETS UNDER MANAGEMENT

As of December 31, 2023, we had approximately \$168.9 million in regulatory assets under management. All of these assets were managed on a discretionary basis.

Item 5: Fees and Compensation

DESCRIPTION OF COMPENSATION AND FEE SCHEDULE

In consideration of our advisory services, we generally receive management fees and performance allocations with respect to the Fund. While our fees are described in detail in the Fund's governing and offering documents, a brief summary of our advisory fees is set forth below.

We are entitled to receive from the Fund an annual management fee, payable on the first day of each calendar quarter in advance, equal to 0.25% (1% per annum) of the capital account balance of each limited partner, determined as of the first day of such calendar quarter.

In addition, we generally are entitled to receive an annual performance allocation equal to twenty percent (20%) of the net profits (subject to certain adjustments and limitations) allocated to the capital account of each limited partner for the applicable fiscal year. Performance allocations are subject to a "high water mark" limitation with respect to each investor. As a result, after the first year in which a performance allocation is earned, the performance allocation for later years applies only to the extent that an investor's *pro rata* share of net profits, measured on a cumulative basis, for all years since admission exceeds the highest level of cumulative net profits achieved through the close of any prior year since admission.

Each investor in the Fund generally is required to represent that it is a "qualified client" as such term is defined in Rule 205-3 under the Investment Advisers Act of 1940, as amended (the "Advisers Act"); *provided* that we may waive the performance allocation with respect to an investor who does not qualify as a "qualified client."

Our advisory fees with respect to the Fund and each investor generally are not negotiable.

PAYMENT OF FEES

Management fees are payable by investors quarterly, in advance, as of the first day of each calendar quarter. Management fees are deducted directly from the capital account of each limited partner. In the event that the Fund is dissolved, a limited partner withdraws or our advisory services are terminated prior to the end of any calendar quarter, then an amount equal to the *pro rata* portion of the management fee, based on the actual number of days remaining in such quarter, will be refunded to the applicable limited partner(s). Management fees are also prorated with respect to capital contributions made by investors during a calendar quarter.

Performance allocations are calculated and allocated as of the end of each fiscal year (and at such other times as set forth in the partnership agreement of the Fund). Performance allocations are re-allocated directly from the capital account of each limited partner to our capital account.

OTHER FEES AND EXPENSES

In addition to management fees and performance allocations, the Fund generally bears all costs and expenses relating to the Fund's activities, including but not limited to (i) the costs, expenses or charges incurred by the Fund, directly or indirectly, in connection with its investment and trading activities, including without limitation, brokerage commissions, mark-ups, margin interest and other transaction costs to brokers; (ii) accounting, auditing, appraisal, consulting and legal fees and expenses, including for litigation and preparation of the Fund's financial statements and reports, tax returns and Schedule K-1s; (iii) any taxes, fees or other governmental charges levied against the Fund; (iv) interest on and fees and expenses arising out of all borrowings made by the Fund; (v) organizational costs; (vi) expenses of the meetings of limited partners, if any; and (vii) the costs of any litigation and indemnification relating to the affairs of the Fund. The Fund generally is responsible for and pays all brokerage and custodial fees. **See Item 12 below.**

WITHDRAWALS

Subject to the terms and conditions set forth in the Fund's governing documents, a limited partner generally may make a complete or partial withdrawal of amounts from a capital account maintained on its behalf as of the close of business on each calendar quarter; *provided* that such withdrawal date is at least twelve months after such capital account was established. Notwithstanding the foregoing, we may disallow a partial withdrawal if, after giving effect to such withdrawal, that limited partner would not have an aggregate capital account balance of at least \$250,000 thereafter (subject to reduction or waiver by us). Notice of any withdrawal generally must be given to us in writing at least thirty (30) days prior to the proposed withdrawal date; *provided, however*, we may waive such notice requirement in our

discretion. At least ninety-five percent (95%) of the estimated withdrawal proceeds normally will be settled in cash or, subject to our sole discretion, wholly or partially with securities or other assets of the Fund, whether readily or not readily marketable, within ten (10) business days after the applicable withdrawal date. Any remaining balance generally will be settled promptly following completion of the audit of the Fund's financial statements for the applicable fiscal year.

Performance allocations with respect to the Fund are calculated as of the date of withdrawal with respect to any limited partner permitted or required to withdraw as of any time other than the close of a performance period on the basis of a proportion of net profits allocated to such limited partner's capital account through the withdrawal date.

COMPENSATION FOR THE SALE OF SECURITIES OR OTHER INVESTMENT PRODUCTS

Neither we nor any of our supervised persons accept compensation for the sale of securities or other investment products.

Item 6: Performance-Based Fees and Side-By-Side Management

PERFORMANCE-BASED FEES

As noted under Item 5 above, we generally are entitled to receive performance allocations with respect to the Fund. Performance allocations could motivate us to make investment decisions that are riskier or more speculative than would be the case if these arrangements were not in effect. Our individual employees and affiliates who are compensated to some extent based upon trading profits for which they are responsible face the same potential conflict. Because the performance allocation is calculated on a basis that includes unrealized appreciation in the Fund's portfolio based upon values assigned by us, we face a conflict of interest in valuing the Fund's portfolio. We address these conflicts through full and fair disclosure in the Fund's offering documents and this brochure.

Item 7: Types of Clients

DESCRIPTION

We provide investment advisory and supervisory services solely to an affiliated private investment fund. The Fund has various types of investors, including, but not limited to, trusts, family offices, natural persons, fund of funds, individual retirement accounts and other entities.

ACCOUNT REQUIREMENTS

The minimum initial capital contribution generally required from an investor in the Fund is \$250,000, although capital contributions of lesser amounts may be accepted in our discretion.

Each investor in the Fund generally is required to represent that it is, among other things, an “accredited investor,” as such term is defined in Rule 501(a) of Regulation D under the Securities Act of 1933, as amended (the “Securities Act”), and a “qualified client” as such term is defined in Rule 205-3 under the Advisers Act.

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

METHODS OF ANALYSIS AND INVESTMENT STRATEGIES

The primary investment objective of the Fund is to achieve capital appreciation by establishing long and short positions in the equity securities of domestic and foreign issuers. To achieve the Fund's investment objective, we focus primarily on investments in small capitalization issuers, which we believe offer the greatest potential for capital appreciation.

We invest the Fund's assets primarily in the equity securities (including, common stocks, preferred stocks, warrants and convertible securities) of both domestic and foreign issuers. We also sell short certain equity securities (i) that we believe are overvalued and/or (ii) to diversify risk. Generally, the Fund invests in securities that are purchased and sold on national securities exchanges or over-the-counter markets, but it may, from time to time, purchase or sell securities of private companies in private transactions. As a general rule, no more than five percent (5%) of the Fund's assets are invested in securities of private companies.

We identify investment opportunities by utilizing a flexible approach consisting of fundamental research and analysis. This approach focuses on searching for new ideas, gathering information, performing analysis and monitoring the Fund's investments. We search for new ideas by interacting with and/or monitoring various information sources, including industry sources, such as senior industry executives and industry publications, quantitative and qualitative screening services and our contacts within the investment community.

Once an investment is made by the Fund, we monitor the Fund's investment by communicating with key contacts as outlined above, evaluating ongoing and pertinent news developments, participating in quarterly conference calls held by portfolio companies, as well as by comparable companies, and maintaining relevant financial models.

For a more detailed description of the investment strategies of the Fund, please review the offering document of the Fund. The foregoing summary is qualified in its entirety by the information contained in the Fund's offering documents.

CERTAIN RISK FACTORS

There can be no assurance that the Fund will achieve its investment objectives. The Fund's investment strategies will involve a substantial degree of risk, including risk of complete loss. Nothing in this brochure is intended to imply, and no one is or will be authorized to represent, that an investment in the Fund will be low risk or risk free. The investment strategies and programs of the Fund are appropriate only for sophisticated persons who fully understand and will be capable of bearing the risks of investment. Prospective investors should consider the following risks, among others, before making any investment decisions. The various risks outlined below are not the only risks associated with the Fund. The following risks are qualified in their entirety by the risks set forth in the Fund's offering documents.

General Economic and Market Conditions. The success of the Fund's activities will be affected by and subject to general economic and market conditions, such as changes in interest rates, availability of credit, industry conditions, inflation rates, commodity prices, economic uncertainty, changes in laws (including laws relating to taxation of the Fund's investments), trade barriers, sanctions, trade wars, tariffs, protectionist regulatory policies, unemployment rates, release of economic data, currency exchange controls, national and international political circumstances and developments and other circumstances and occurrences (including, without limitation, wars, epidemics, pandemics, outbreaks of disease, terrorist acts, security operations, bank failures or financial institution instability, disruptions in the financial industry, natural disasters, recessions and government operations), as well as changes in government or regulatory policy precipitated by the foregoing. For example, hostilities and disputes between Russia and Ukraine and Israel and Hamas, as well as the recent bank failures, could destabilize the worldwide economy and equity markets in various respects. These and other factors may affect the level and volatility of securities prices, the correlations and relationships between the prices of various securities and the liquidity of the Fund's investments in ways that impair the Fund's profitability and/or the valuation of portfolio companies or result in losses.

Interest rates, general levels of economic activity, the price of securities and participation by other investors in the financial markets may affect the value and number of investments made by the Fund or considered for prospective investment. Material changes and fluctuations in the economic environment, particularly of the type experienced in the years following 2008 that caused significant dislocations, illiquidity and volatility in the wider global economy, and the market changes that have resulted from the spread of COVID-19 and the recent adverse developments affecting the U.S. and international financial services industries, may affect the Fund's ability to make investments

and the value of investments held by the Fund or the Fund's ability to dispose of investments. Specifically, in recent years bank failures in the United States resulted in market disruption and volatility, and significant government intervention. The short-term and the longer-term impact of these events are uncertain, but they could continue to have a material effect on general economic conditions, consumer and business confidence and market liquidity. Any economic downturn resulting from a recurrence of such marketplace events and/or continued volatility in the financial markets could adversely affect the financial resources of the Fund. Additionally, there has been discussion and dialogue regarding potential significant changes to U.S. trade policies, legislation, treaties, trade policies and tariffs affecting various countries. Tariffs and other trade restrictions imposed by the U.S. government and any further similar changes in U.S. trade policy have triggered some, and could trigger additional, retaliatory actions by affected countries, possibly resulting in "trade wars". At this time, it is unknown whether and to what extent additional new legislation will be passed into law, pending or new regulatory proposals will be adopted (including with respect to bank reform), international trade agreements will be negotiated, or the effect that any such action would have, either positively or negatively, on the Fund or its investments. Investments can be expected to be sensitive to the performance of the overall economy. Moreover, a serious pandemic, recent bank failures, government shutdown, work stoppage, natural disaster, armed conflict, threats of terrorism or terrorist attacks and the impact of military or other action could severely disrupt global, national and/or regional economies. A resulting negative impact on economic fundamentals and consumer and business confidence may negatively impact market value, increase market volatility (including commodity price volatility) and reduce liquidity, all or any of which could have an adverse effect on the performance of the Fund's investments, the Fund's returns and the Fund's ability to make and/or dispose of investments. Global economic and market conditions have been materially adversely affected by the ongoing conflicts between Russia and Ukraine and between Israel and Hamas, as well as recently by turmoil in the banking industry.

There can be no assurance that these events, and general market developments in the future, will not have a material adverse effect on the Fund and its investment objectives. The Fund and investors could incur material losses even if we or a portfolio company react(s) quickly to difficult market conditions, and there can be no assurance that the Fund will not suffer material losses and other adverse effects from rapid changes in market conditions in the future. Investors should realize that markets for the financial instruments in which the Fund invests or seeks to invest can correlate strongly with each other (or cease to correlate) at times or in ways that are difficult for us or a portfolio company to predict. Even a well-analyzed approach may not protect the Fund from significant losses under certain market conditions.

The particular or general types of market conditions in which the Fund may incur losses or experience unexpected performance volatility cannot be predicted, and the Fund may materially underperform other investment funds with substantially similar investment objectives and approaches.

Public Health Risk. The Fund and its affiliates and service providers could be adversely affected by the effects of a widespread outbreak of contagious disease, such as the COVID-19 pandemic. Public health crises can develop rapidly and unpredictably, which may prevent governments, asset managers, companies or others (including us, the Fund or the Fund's investments) from taking timely or effective steps to mitigate or reduce any adverse impacts to the Fund and its investments. The extent and duration of any such impacts will depend on future developments, which are highly uncertain and cannot be predicted at this time.

Any outbreak of contagious diseases and other adverse public health developments, together with any resulting disruptions or restrictions on travel, quarantines or "stay-at-home" orders, social distancing policies and/or quarantines imposed or recommended by governments and private parties in the jurisdictions where the Fund or its investments are based (together, the "Isolation Measures"), could have a material and adverse effect on the Fund and its investments, including by disrupting or otherwise adversely affecting the human capital, business operations or financial resources of the Fund, its investments, or its service providers (which could, in turn, adversely impact the ability of such service providers to fully support the administration and operations of the Fund or its investments).

In addition, a significant outbreak of contagious diseases in the human population, and any containment or other remedial measures imposed (including Isolation Measures), may result in a widespread health crisis that could severely disrupt global, national and/or regional economies and financial markets and cause an economic downturn that could adversely affect the performance of the Fund and/or its investments. To the extent an epidemic or pandemic is present in jurisdictions in which we have offices or other operations or investments, it could affect the ability of us and our affiliates to operate effectively, including the ability of personnel to function, communicate and travel to the extent necessary to carry out the investment strategies and objectives of the Fund.

The performance of the Fund may also be affected by particular issues affecting companies, regions or sectors of its investments. The extent of any such impacts will depend on future developments, which are highly uncertain and cannot be predicted at this time. There are no comparable recent events in the United States or globally that provide guidance as to the effect of the spread of a pandemic such as COVID-19 on the economy as a whole and the specific sectors in which the Fund may invest.

Potential for Fraud. In spite of our efforts to invest in reputable and trustworthy companies, there is a risk that the Fund may invest in issuers that engage in fraud. As past ponzi schemes involving Bernie Madoff and Allen Stanford have shown, instances of fraud can be particularly difficult to detect and prevent. To the extent that the Fund invests a company that engages in fraud, the Fund could lose all or a substantial portion of its investment in such company, and it could have a material adverse effect on the Fund's financial condition and results of operations. The risk of fraud may be heightened or increased as a result of a global pandemic.

Terrorist Attacks, War and Natural Disasters. Terrorist activities, anti-terrorist efforts, armed conflicts involving the United States or its interests abroad, wars and natural disasters may adversely affect the United States, its financial markets and global economies and markets and could prevent the Fund and its investments from meeting their respective investment objectives and other obligations. The potential for future terrorist attacks, the national and international response to terrorist attacks, other acts of war or hostility and recent natural disasters have created many economic and political uncertainties in the past and may do so in the future, which may adversely affect the United States and world financial markets and the Fund for the short or long-term in ways that cannot presently be predicted.

In February 2022, armed conflict escalated between Russia and Ukraine and Russia invaded Ukraine. In response to Russia's invasion of Ukraine, the United States, the European Union and various other countries have announced, and continue to announce and expand, sanctions against or targeting Russia and various important Russian people and companies. These sanctions currently include, among others, restrictions or bans on selling or importing goods, services or technology in or from Russia, bans on Russian energy imports, and travel bans and asset freezes impacting connected individuals and political, military, business and financial organizations in Russia. The U.S. and other countries could impose wider or more significant sanctions and take other actions against Russia or its interests should the conflict further escalate or deteriorate.

In October 2023, following a series of attacks by Hamas on Israeli civilian and military targets, Israel declared war on Hamas in Gaza. The Ukraine-Russia and Israel-Hamas conflicts have led to, and may continue to lead to, significant political, geopolitical, economic and market turmoil and volatility, including dramatic increases and/or instability in oil and gas prices and further supply chain disruptions. For example, recent Houthi attacks on commercial shipping vessels in the Red Sea and Suez Canal, which are related to the Israel-Hamas war, have disrupted global supply chains, resulting in increased shipping costs, freight surcharges, shipment delays, reduced shipping capacity and caused other significant supply chain impacts. It is not possible to predict the broader consequences of this conflict or the sanctions imposed or applied as a result thereof, which could include further sanctions, embargoes, cyberattacks, regional instability, geopolitical shifts, conflicts and adverse effects on macroeconomic conditions, currency exchange rates and financial markets, all of which could impact the Fund's or investment's business, financial condition and results of operations.

Geopolitical Risks and Force Majeure. An unstable geopolitical climate and continued threats of terrorism could have a material effect on general economic conditions, market conditions and market liquidity. In addition, the United States and governments globally have seen a rise in populist and nationalist tendencies, with political parties espousing such themes gaining strength in local and national elections.

Geopolitical tensions, such as the Russia-Ukraine and the Israel-Hamas conflicts, have led to disruption, instability and volatility in global markets and industries that could negatively impact the Fund and/or its investments. The U.S. and other governments have imposed meaningful sanctions and export controls against Russia and Russian interests and threatened additional sanctions and controls. The Fund's investments will be required to comply with such measures and the full impact of such measures (including supply chain disruptions), as well as potential responses to them by Russia, is currently unknown and may become significant.

The continued threat of terrorism and the impact of military or other action have led to and will likely lead to increased volatility in prices for oil and gasoline and could affect certain investments financial results. Further, the United States government has issued public warnings indicating that energy assets might be specific targets of terrorist organizations. As a result of such a terrorist attack or of terrorist activities in general, such investments may not be able to obtain insurance coverage and other endorsements at commercially reasonable prices or at all.

Additionally, the Fund or its investments may be affected by force majeure events such as events beyond the control of the party claiming the event has occurred including, without limitation, severe storms, fire, flood, earthquakes, outbreaks of an infectious disease, pandemic or any other serious public health concern, war, terrorism, and labor strikes. Some force majeure events may adversely affect the ability of a party, including the Fund, any subsidiaries or investment entities utilized by the Fund or counterparties to the Fund or any related investment entities to perform its obligations until they are able to remedy the force majeure event. In certain circumstances, the Fund or an investment entity may be a party to a contract which does not provide a remedy in favor of such Fund or investment entity if a force majeure event occurs. In this event, the Fund or an investment entity may be required to continue to comply with its obligations (including, but not limited to, payment or performance of its obligations) under the contract even though it may not receive some or all of the benefits to which it is entitled under such contract. Such a circumstance may cause the Fund or such investment entity to suffer economic loss, and such loss may be exaggerated if a force majeure event subsists for an extended period of time.

In addition, the cost to an investment or the Fund of repairing or replacing damaged assets resulting from such force majeure event could be considerable. Certain force majeure events such as war or an outbreak of an infectious disease could have broader negative impact on the world economy and international business activity generally or in any of the countries in which the Fund has invested. A resulting negative impact on economic fundamentals and consumer confidence may increase the risk of default with respect to particular investments of the Fund, negatively impact market value, increase market volatility and cause credit spreads to widen and reduce liquidity, each of which could have an adverse effect on the performance of the investments, the Fund's returns and the ability of the Fund to make and/or dispose of investments. No assurance can be given as to the effect of these events on the value of, or markets for, investments, or the Fund's or an investment's ability to recover therefrom.

Governmental Intervention. In 2008 and thereafter, the global financial markets underwent significant disruptions that led to significant governmental interventions and actions. The COVID-19 global pandemic and volatility in the bank industry have previously led to, and is likely to continue to result in or lead to, significant (and in certain cases unprecedented) governmental interventions (both in the United States and abroad), including massive stimulus programs, intervention to secure confidence in the banking system and legislation. Such interventions have been and may be implemented on an "emergency" basis, with little advance notice, thereby substantially reducing or eliminating market participants' ability to anticipate or react to such interventions, to implement certain investment strategies or to manage the risk of outstanding positions. In addition, these interventions have been and may be unclear in scope and application, resulting in confusion and uncertainty, which in itself can be materially detrimental to the efficient functioning of the markets or the economy or the Fund's investment strategies. If governmental intervention programs or actions are unwound, there could likewise be uncertainty and adverse effects on the markets and economy and the Fund's investment strategies. In the case of any future market disruptions, significant economic events, pandemics or other health events, or other events or circumstances, it is impossible to predict what interim or permanent governmental interventions, restrictions (or easing of restrictions) or other actions may be imposed on the markets or the economy or the effect of such actions on the Fund's activities and investment strategies. For all of the foregoing reasons, among others, governmental interventions and other actions could have a material adverse effect on the Fund.

Changes in Government Policy. Changes in government policy, including monetary, fiscal, tax, trade, inflation, exchange and regulatory policies, among many others, have had and will continue to have a significant effect on the economy, financial markets and our investment strategies. Any such changes could be difficult or impossible to anticipate and could have significant unanticipated or unintended consequences. In addition, changes in policy implemented or threatened by one government often lead to changes in policy by other governments, which have their own significant consequences. As just one example, tariffs imposed by the U.S. government on imports from China have led to the imposition of tariffs by China on imports from the U.S., and a similar dynamic has occurred in connection with other changes in trade policy implemented or threatened by various governments. Additionally, it is expected that legislation regarding bank reform will be forthcoming given the turmoil in the markets. Any of the foregoing could result in a material adverse effect on the Fund or advisory services to the Fund.

Inflation Risk. The rate of inflation has been elevated in recent years and it is currently expected that it may remain high or elevated in the future especially given the recent market turmoil as a result of the crises in the financial services industry. Inflation and rapid fluctuations in inflation rates have in the past had and are currently having negative effects on economies and financial markets. For example, wages and prices of inputs increase during periods of inflation, which can negatively impact returns on investments. In an attempt to stabilize inflation, governments may impose wage and price controls or otherwise intervene in the economy. Governmental efforts to curb inflation often have

negative effects on the level of economic activity. If inflation were to continue at the current level or rise at rates higher than those anticipated in underwriting the Fund's investments, the effective rate of return on such investments may be reduced. For example, there may be instances where certain revenues related to such Fund investments may be fixed by contract for meaningful periods of time whereas related expenses and interest costs may not be. As a result, the recent rise in the rate of inflation (and any additional increase in or continued elevation of such rate of inflation) could have a material and adverse impact on the Fund and its investments.

Investment and Trading Risks Generally. All investments risk the loss of capital. No guarantee or representation is made that the Fund's program will be successful. The Fund's investment program involves, without limitation, risks associated with equity investments, limited diversification, leverage, interest rates, currencies, volatility, tracking risks in hedged positions, security borrowing risks in short sales, credit deterioration or default risks, systems risks and other risks inherent in the Fund's activities. Certain investment techniques of the Fund may, in certain circumstances, substantially increase the impact of adverse market movements to which the Fund may be subject. In addition, the Fund's investments may be materially affected by conditions in the financial markets and overall economic conditions occurring globally and in particular countries or markets where the Fund invests its assets.

The Fund's methods of minimizing such risks may not accurately predict future risk exposures. Risk management techniques are based in part on the observation of historical market behavior, which may not predict market divergences that are larger than historical indicators. Also, information used to manage risks may not be accurate, complete or current, and such information may be misinterpreted.

Equity Risks. The Fund invests primarily in equity and equity-linked securities. The value of these securities generally will vary with the performance of the issuer and movements in the broader equity markets. As a result, the Fund may suffer losses if it invests in equity securities of issuers whose performance diverges from our expectations or if equity markets generally move in a single direction and the Fund has not hedged against such a general move. The Fund also may be exposed to risks that issuers will not fulfill contractual obligations such as, in the case of convertible securities or private placements, delivering marketable common stock upon conversions of convertible securities and registering restricted securities for public resale.

Short Selling. In certain circumstances, the Fund may make short sales. In a short sale, the seller sells a security that it does not own, typically a security borrowed from a broker or other counterparty. Because the seller remains liable to return the underlying security that it borrowed from the broker or counterparty, the seller must purchase the security prior to the date on which delivery to the broker or dealer is required. The making of short sales exposes the Fund to the risk of liability for the market value of the security that is sold, which is an unlimited risk in theory due to the lack of an upper limit on the price to which a security may rise. In addition, there can be no assurance that securities necessary to cover a short position will be available for purchase or that securities will be available for the Fund to borrow at reasonable costs. If a request for a return of borrowed securities occurs at a time when other short sellers of the security are receiving similar requests, a "short squeeze" can occur, in which case the Fund may be compelled to replace borrowed securities previously sold short with purchases on the open market at the most disadvantageous time, possibly at prices significantly in excess of the proceeds received in originally selling the securities short. For example, a significant "short squeeze" event occurred in January 2021 with respect to the securities of GameStop Corp (GME), where retail investors utilized Robinhood and other popular commission-free trading platforms and social media platforms to execute a "short squeeze" strategy aimed at destroying the short sale efforts of prominent hedge funds and other institutional investors who were attempting to profit from the demise of GameStop stock. The efforts of these retail investors pushed the price of GameStop stock to record levels in a very short period of time, and many hedge funds and other investors lost billions of dollars as they were forced to close out their short positions on GameStop stock in connection with the short squeeze. This situation is likely to reoccur in the future, as social media and popular commission free trading platforms have made it easier for a large number of retail investors to band together and cause disruptions in the trading strategies of hedge funds and other institutional investors. The controversy relating to GameStop may lead to SEC scrutiny and greater regulation of such strategies.

The SEC has adopted or enacted rules requiring public disclosure of short positions. In addition, other non-U.S. jurisdictions where the Fund trades have adopted or may adopt reporting requirements. If the Fund's short positions or its strategy become generally known, it could have a material or significant effect on our ability to implement or effect the Fund's investment strategies. In particular, it would make it more likely that other investors could cause or lead us into a "short squeeze" in the securities held short by the Fund, forcing the Fund to cover its positions at a loss. Such reporting requirements likely would also limit our ability to access management and other personnel at certain issuers where the Fund seeks to take or establish a short position. In addition, if other investors engage in copycat

behavior by taking positions in the same issuers as the Fund, the cost of borrowing securities to sell short could increase significantly and the availability of such securities to the Fund could decrease significantly. The SEC has adopted various restrictions or limitations on the short sale of securities which fall more than 10% in a given day (referred to as the “circuit breaker” or “modified uptick rule”). The SEC and regulatory authorities in other jurisdictions could adopt (and in certain cases have adopted) bans or restrictions or limitations on short sales of certain securities or short sales with respect to certain issuers in response to significant market events. Restrictions, limits or bans on short selling would make it more difficult for us to execute or effect certain investment strategies and may have a material adverse effect on the Fund’s ability to achieve its investment objectives and generate returns.

Distressed Securities. Certain of the Fund’s assets may be invested in distressed securities. Investments in distressed securities involve acquiring securities of companies that are experiencing significant financial difficulties and of companies that are, or appear likely to become, bankrupt or involved in a debt restructuring or other major capital transaction. Consequently, there is a high degree of risk associated with these investments because such companies may never recover and the value of such investments may be lost.

Concentration. Although we generally attempt to diversify the investments made by the Fund, the Fund’s investments may at times become concentrated in a limited number of investments. If the Fund’s investments become concentrated and one investment performs poorly, this concentration could cause a proportionately greater loss than if a larger number of investments were made, and if such proportionately greater loss occurs, it may adversely impact the overall return on investment realized by the Fund and, ultimately, the limited partners.

Illiquid Investments. While we generally invest in relatively liquid investments, it is possible that some investments held by the Fund may not be able to be sold except pursuant to a registration statement filed under the Securities Act or in accordance with Rule 144 or another exemption under the Securities Act. Furthermore, because of the speculative and non-public nature of some investments, we may, from time to time, sell or otherwise dispose of investments that later prove to be more valuable than anticipated at the time of such disposition. Any premature sales or dispositions may prevent the Fund from realizing as great an overall return on investment as may have been realized if such sales or dispositions had been made at a later date, which may adversely affect investment results of the limited partners.

Use of Leverage. The Fund and certain of the companies in which the Fund may invest may utilize significant leverage. The use of leverage, which exposes the borrower to changes in price at a ratio higher than 1:1 in reference to the amount invested, magnifies both the favorable and the unfavorable effects of price movement in investments. The leveraged capital structures of the Fund and companies in which it makes investments also will increase exposure to adverse economic factors such as rising interest rates, downturns in the economy and/or deterioration in the condition of the company or its industry. Such increased exposure to adverse economic factors may decrease the overall return on investment realized by the Fund, and ultimately the limited partners, from the overall return on investment that may have been realized if leveraged capital structures had not been used by the Fund or the companies in which the Fund makes investments.

The current economic environment and investor concerns regarding the U.S. or international financial systems has caused some lenders to impose more stringent restrictions on terms of credit and additional adverse economic changes could result in further restrictions being imposed or a general reduction in the amount of credit available in the markets in which the Fund will seek to invest. Any decline in available funding or access to our cash and liquidity resources could, among other risks, adversely impact the Fund’s ability to make investments and generate returns.

Hedging Strategies. We engage primarily in long purchases and short sales of the securities of domestic and foreign issuers. We also engage from time to time in hedging, option trading, leverage (including, but not limited to, margin trading and investing in derivatives) and other strategies. Hedging strategies in general are usually intended to limit or reduce investment risk, but can also be expected to limit or reduce the potential for profit. Trading on margin, short sales and other leveraging strategies can increase the profit potential of a securities portfolio, but concurrently increase the risk of loss. Any of such strategies that we employ should be expected to increase the Fund’s transaction costs, interest expense and other costs and expenses. No assurance can be given that short sales, hedging, leverage and other techniques and strategies will not result in material losses for the Fund.

Investment Selection. The limited partners have no opportunity to select or evaluate any Fund investments or strategies. All Fund investments and strategies are selected by us in our sole discretion. The likelihood that limited partners will realize income or gain depends on our skill and expertise.

Investment Program – Smaller Capitalizations. Although the Fund may invest in companies with market capitalizations of all sizes, we generally invest a significant portion of the Fund’s portfolio in securities of companies

with small market capitalizations. We also take short positions in such securities. The securities of such companies may be less actively traded than those of larger companies. For this reason, there can be no assurance that the Fund will be able to buy or sell large positions in such securities over a short period of time. In addition, such securities usually feature greater price volatility than other securities in the broader equity markets. These factors could affect materially and adversely the amount of gain or loss the Fund may realize.

Short Sales. We effect short sales. Short selling is the practice of selling securities that are not owned by the seller, generally when the seller anticipates a decline in the price of the securities or for hedging purposes. To complete a short sale, the Fund generally must borrow the securities from a third party in order to make delivery to the buyer. The Fund generally is required to pay a brokerage commission that will increase the cost to the Fund of selling such securities. The proceeds of the short sale plus additional cash or securities are generally deposited as collateral with the lender of the securities to the extent necessary to meet margin requirements. The amount of the required deposit is adjusted periodically to reflect any change in the market price of the securities that the Fund is required to return to the lender. The Fund generally is entitled to receive payments from the lender with respect to the short sale proceeds and additional cash on deposit with the lender at negotiated interest rates. The Fund is generally obligated to return securities equivalent to those borrowed at any time on demand of the lender of the securities borrower by purchasing them at the market price at the time of replacement. Until the securities are replaced, the Fund is generally required to pay to the lender amounts equal to any dividends or interest that accrue during the period of the loan of the securities. An increase in the value of any security that is the subject of short selling by the Fund may, as a result of the foregoing, have a material adverse effect on the assets of the Fund, and therefore the return on investment of the Fund.

Index Contracts. The Fund also may invest in customized instruments to seek to hedge against the risk of changes in the level of prices of broad market averages or indices, as well as narrower indices or baskets of securities, foreign currencies or commodity prices. These hedging strategies may be executed through the use of exchange-traded equity index options or futures contracts or options thereon, standardized or individually negotiated over-the-counter contracts or other forms of derivative contracts (collectively, “index contracts”) structured by investment banking institutions.

Index contracts generally have substantial risks associated with them, including possible default by the counterparty to the transaction, illiquidity and, to the extent that our view as to certain market movements is incorrect, the risk that the use of such index contracts could result in losses greater than if they had not been used. Moreover, any lack of correlation between price movements of index contracts and price movements in the position of the Fund may create the possibility that losses in the value of the Fund’s position may be greater than the gain on the hedging instrument (or that a gain in the Fund’s position may be less than the loss on the hedging instrument). In addition, futures and options markets may not be liquid in all circumstances and certain over-the-counter index contracts may have no markets. As a result, in certain markets, the Fund might not be able to close a transaction without incurring substantial losses, if at all. Any such result may have a material adverse effect on the Fund.

Swaps and Similar Contracts. In addition to index contracts and other exchange-traded option contracts, the Fund may invest in over-the-counter contracts that involve dealing with counterparties and their ability to satisfy their obligations under such contracts. Specifically, the Fund may engage in repurchase agreements, forward contracts or swap arrangements, each of which may expose the Fund to credit risks to the extent that any counterparties to such contracts default on their obligations to perform under the relevant contracts.

Derivative Instruments: Counterparty Risk. Some of the markets in which the Fund effects its derivative transactions are “over-the-counter” or “interdealer” markets. The participants in such markets are typically not subject to credit evaluation and regulatory oversight as are members of “exchange-based” markets. This exposes the Fund to the risk that a counterparty will not settle a transaction in accordance with its terms and conditions because of a credit or liquidity problem with the counterparty. Delays in settlement may also result from disputes over the terms of the contract (whether or not bona fide) since such markets may lack the established rules and procedures for swift settlement of disputes among market participants found in “exchange-based” markets. These factors may cause the Fund to suffer a loss due to adverse market movements while replacement transactions are executed or otherwise. Such “counterparty risk” is accentuated for contracts with longer maturities where events may intervene to prevent settlement, or where the Fund has concentrated its transactions with a single or small group of counterparties. These derivative instruments may also be difficult to value accurately. Incorrect valuations could adversely affect one or more limited partners.

If any of the Fund’s financial institutions or counterparties were to be placed into receivership, there is no guarantee that the Department of the Treasury, the Federal Reserve or the Federal Deposit Insurance Corporation (the “FDIC”)

will intercede to provide the Fund or other depositors with access to balances in excess of the \$250,000 FDIC insurance limit, that the Fund would be able to access its existing cash, cash equivalents or investments, or that the Fund would be able to adequately fund investments, any of which could have a material adverse effect on the Fund and/or the investors. Any losses would be borne by the investors. In addition, if any of our counterparties are unable to access funds pursuant to such instruments or lending arrangements with such a financial institution, such parties' ability to pay their obligations to us or to enter into new commercial arrangements requiring additional payments to us could be adversely affected. In this regard, counterparties to credit agreements and arrangements with banks in receivership, and third parties such as beneficiaries of letters of credit (among others), may experience direct impacts from the closure of such financial institutions and uncertainty remains over liquidity concerns in the broader financial services industry.

Securities Lending and Borrowing. The Fund may also lend securities to broker-dealers and other institutions as a means of earning additional income or borrow securities from broker-dealers or other institutions to cover short positions. If the other party becomes insolvent or bankrupt, the Fund could experience delays and costs in recovering payment or the securities. To the extent that, in the meantime, the value of securities lent changes, the Fund could experience further losses. Security loans must be fully collateralized, and we must be satisfied with the creditworthiness of the other party to the transaction.

Repurchase Agreements. The Fund may also enter into repurchase agreements, by which it buys a security and simultaneously agrees to sell it back later at a higher price, or in reverse repurchase agreements, by which the Fund sells a security and simultaneously agrees to buy it back later at a higher price. The repurchase date is usually within seven (7) days of the initiation of the agreement. If the other party to a repurchase or reverse repurchase agreement becomes insolvent or bankrupt, the Fund may experience delays and incur costs in recovering payment or the securities. To the extent that the value of the security purchased changes in the meantime, the Fund could experience further losses. Repurchase agreements to which the Fund is a party must be fully collateralized by Fund securities. Repurchase and reverse repurchase agreements can have effects similar to margin trading and other leveraging strategies.

General Risks of Non-U.S. Investments. The Fund invests in securities of non-U.S. companies which involve unusual risks not typically associated with investing in U.S. companies. The Fund may be affected unfavorably by exchange control regulations or changes in the exchange rate between non-U.S. currencies and the U.S. dollar. Moreover, individual non-U.S. economies may differ unfavorably from the U.S. economy in growth of gross national product, rate of inflation, rate of savings and capital reinvestment, resource self-sufficiency and balance of payments positions and in other respects. With respect to some non-U.S. countries, there is the possibility of expropriation or confiscatory taxation, limitations on the removal of funds or other assets of the Fund's accounts, political or social instability or diplomatic developments that could materially and adversely affect the value and marketability of the Fund's investments in those countries.

The securities of non-U.S. issuers held by the Fund generally are not registered under, nor are the issuers thereof subject to the reporting requirements of, the U.S. securities laws and regulations. Accordingly, there may be less publicly available information about the securities and about the non-U.S. company or government issuing them or the non-U.S. board of trade clearing them than is available about a U.S. company, government entity or board of trade. Non-U.S. companies and non-U.S. boards of trade generally are not subject to accounting, auditing and financial reporting standards, practices and requirements comparable to those applicable to U.S. companies. Further, non-U.S. government supervision of stock exchanges, boards of trade, securities brokers and issuers of securities generally is less stringent than supervision in the U.S. The investments also may be subject to withholding taxes imposed by the applicable country's taxing authority.

No Control over Portfolio Issuers. The Fund, from time to time, may acquire substantial positions in the securities of particular companies. Nevertheless, the Fund generally does not obtain representation on the board of directors or any control over the management of any company in which the Fund invests, and the success of each investment depends on the ability and success of the management of the portfolio issuers in addition to economic and market factors.

Risk of Asset Growth. If our assets under management grow significantly, it may adversely affect the Fund's investment performance. The difficulty of investing in a few selected smaller companies increases with the amount of assets that we must invest. In this event, we may find it necessary to invest in a greater number of companies than we currently intend, which could dilute our focus on individual companies, impair our ability to monitor existing and potential investments and result in investments in companies that we would not otherwise select. In addition, with

greater assets to invest in the same number of smaller companies, it will be increasingly difficult for the Fund to make investments large enough to be meaningful to its overall portfolio.

Inside Information. We (through our representatives or otherwise) may receive information that would restrict our ability to cause the Fund to buy or sell securities of a company for substantial periods of time when profit could otherwise be realized or loss avoided, which may adversely affect the Fund's flexibility with respect to buying or selling securities.

Cyber Security Breaches and Identity Theft. We, our client and our respective service providers depend on information technology systems and, notwithstanding the diligence that we may perform on such service providers, we may not be in a position to verify the risks or reliability of such information technology systems. We, our client and our respective service providers are subject to risks associated with a breach in cybersecurity. "Cybersecurity" is a generic term used to describe the technology, processes and practices designed to protect networks, systems, computers, programs and data from both intentional cyber-attacks and hacking by other computer users as well as unintentional damage or interruption that, in either case, can result in damage and disruption to hardware and software systems, loss or corruption of data, and/or misappropriation of confidential information. Our, our client's and our service providers' information and technology systems are vulnerable to damage or interruption from computer viruses, network failures, computer and telecommunication failures, infiltration by unauthorized persons and security breaches, usage errors by their respective professionals, power outages and catastrophic events such as fires, tornadoes, floods, hurricanes and earthquakes. Although we and our affiliates have implemented various measures to manage risks relating to these types of events, if these systems are compromised, become inoperable for extended periods of time or cease to function properly, we and/or the Fund may have to make a significant investment to fix or replace them. The failure of these systems and/or of disaster recovery plans for any reason could cause significant interruptions in our and our client's operations and result in a failure to maintain the security, confidentiality or privacy of sensitive data, including personal information relating to investors (and the beneficial owners of investors). Such a failure could harm our or our client's reputations, subject any such entity and its respective affiliates to legal claims and otherwise affect its business and financial performance. Such damage or interruptions to information technology systems may cause losses to the Fund or individual investors by interfering with our or any affiliates' operations. The Fund may also incur substantial costs as the result of a cybersecurity breach, including those associated with forensic analysis of the origin and scope of the breach, increased and upgraded cybersecurity, identity theft, unauthorized use of proprietary information, litigation, adverse investor reaction, the dissemination of confidential and proprietary information and reputational damage. Any such breach could expose us or the Fund to civil, legal or regulatory liability as well as regulatory inquiry and/or action, and the Fund may be required to indemnify us against any losses incurred in connection therewith. Cybersecurity issues and risks are currently a major focus area of the SEC and other regulatory authorities.

Privacy Law Compliance Risk. Compliance with current and future (i) privacy, data protection and information security laws and (ii) rules regarding the use and disclosure of confidential information could significantly impact current and planned privacy and information security related practices, the collection, use, sharing, retention and safeguarding of personal data and the Fund's current and planned business activities and as such could increase costs for the Fund or its or our ability to disclose certain investment information to its investors. A failure to comply with such laws, regulations and rules could result in fines, sanctions or other penalties, which could materially and adversely affect the results of operations of the Fund, as well as have an impact on the Fund's ability to make future investments.

Investments in which the Fund invests are or may be subject to laws and regulations related to privacy, data protection and information security in the jurisdictions in which they operate or do business. As privacy, data protection and information security laws and regulations are implemented, interpreted and applied, compliance costs may increase, particularly in the context of ensuring that adequate data protection and data transfer mechanisms are in place.

California has passed the California Consumer Privacy Act of 2018 (as amended by the California Privacy Rights Act of 2020, the "CCPA"). The CCPA generally applies to businesses that collect personal information about California consumers, and either meet certain thresholds with respect to revenue or buying and/or selling consumers' personal information. The CCPA imposes stringent legal and operational obligations on such businesses as well as certain affiliated entities that share common branding. The CCPA is enforceable by the California Attorney General. Additionally, if unauthorized access, theft or disclosure of a consumer's personal information occurs, and the business did not maintain reasonable security practices, consumers could file a civil action (including a class action) without having to prove actual damages. Statutory damages range from \$100 to \$750 per consumer per incident, or actual

damages, whichever is greater. The Attorney General also may impose civil penalties ranging from \$2,500 to \$7,500 per violation.

The European Union (the “EU”) data protection law currently in effect is in the form of the General Data Protection Regulation (EU 2016/679) (the “GDPR”), which took direct effect across the EU member states on May 25, 2018. The GDPR seeks to harmonize national data protection laws across the EU, while at the same time, modernizing the law to address new technological developments. The GDPR notably has a greater extra-territorial reach than pre-existing legislation and has a significant impact on data controllers and data processors (i) with an establishment in the EU, (ii) which offer goods or services to EU data subjects or (iii) which monitor EU data subjects’ behavior within the EU. The GDPR imposes more stringent operational requirements on both data controllers and data processors and introduces significant penalties for non-compliance, with fines of up to 4% of total annual worldwide revenue or €20 million (whichever is higher), depending on the type and severity of the breach.

Other jurisdictions, including other U.S. states, have passed or proposed or are considering similar privacy laws, which may impose similarly significant costs, potential liabilities and operational and legal obligations. Such privacy laws and regulations vary from jurisdiction to jurisdiction, which may increase costs and operational and legal burdens on regulated entities. Further, compliance with current and future privacy laws could significantly impact current and planned privacy and information security related practices, the collection, use, sharing, retention and safeguarding of personal data and some of our current and planned business activities. Any such privacy law could materially and adversely affect the results of operations and overall business of the Fund and/or its investments, as well as have a negative impact on their respective performance.

New Private Fund Adviser Rules. On August 23, 2023, the SEC adopted new rules and rule amendments under the Advisers Act that will significantly impact and affect private fund advisers, including those registered with the SEC and those exempt from registration (the “Private Fund Adviser Rules”). The Private Fund Adviser Rules generally provide for (i) significantly increased disclosure and periodic reporting requirements, including with respect to financial performance, preferential treatment provided to investors, and fees and expenses, (ii) mandatory annual audits of private funds, (iii) certain disclosure and other requirements with respect to adviser-led secondary transactions, including requirements to obtain and distribute third-party fairness or valuation opinions in connection with such transactions, (iv) investor disclosure and/or consent requirements with respect to certain types of restricted activities, including, but not limited to, charging fees or expenses related to a portfolio investment on a non-pro rata basis, borrowing from a private fund, charging certain regulatory, compliance or regulatory investigation fees and expenses to a private fund, and (v) prohibitions on granting preferential redemption rights or providing preferential portfolio information rights or transparency to certain private fund investors. The dates by which private fund advisers will be required to comply with the Private Fund Adviser Rules vary with respect to the specific provisions of the rules and by the size of the private fund adviser (in general, the compliance date will be either September 14, 2024 or March 14, 2025). The Private Fund Adviser Rules will significantly increase the costs of compliance for private fund advisers and private funds, including us and the Fund, and may require significant amendments and revisions to the governing documents of the Fund and/or our practices and/or disclosures with respect to the Fund, some of which may materially alter the terms and/or costs of an investment in the Fund.

Financial Institution Risk; Distress Events. An investment in the Fund is subject to the risk that banks, brokers, hedging counterparties, lenders or other custodians (each, a “Financial Institution”) of some or all of the Fund’s assets fails to timely perform its obligations or experiences insolvency, closure, receivership or other financial distress or difficulty (each, a “Distress Event”). Distress Events can be caused by factors including eroding market sentiment, significant withdrawals, fraud, malfeasance, poor performance or accounting irregularities. In the event a Financial Institution experiences a Distress Event, we and/or the Fund may not be able to access deposits, borrowing facilities or other services, either permanently or for an extended period of time. Although assets held by regulated Financial Institutions in the United States frequently are insured up to stated balance amounts by organizations such as the FDIC, in the case of banks, or the Securities Investor Protection Corporation, in the case of certain broker-dealers, amounts in excess of the relevant insurance are subject to risk of total loss, and any non-U.S. Financial Institutions that are not subject to similar regimes pose increased risk of loss.

In March 2023, both Silicon Valley Bank (“SVB”) and Signature Bank were closed and swept into receivership with the Federal Deposit Insurance Corporation (the “FDIC”). In addition, First Republic Bank’s credit rating was downgraded after securing billions in funds from other financial institutions to avoid closure, and Credit Suisse was rescued with a buy-out from UBS. Such failures led to depositors withdrawing their funds from these and other financial institutions, leading to severe market disruption and extreme volatility in the prices of the securities issued

by financial institutions. In response to the bank failures at SVB and Signature Bank and the resulting market reaction, the Secretary of the Treasury, the Federal Reserve and the FDIC indicated that all depositors of SVB and Signature Bank would have access to all deposits by utilizing the Deposit Insurance Fund, including bridge banks to assume all of the deposit obligations of the failed banks, while leaving unsecured lenders and equity holders of such institutions exposed to such losses. The Federal Reserve also created the Bank Term Funding Program to ensure banks have the ability to meet the needs of their depositors. There is no guarantee that the Department of Treasury, FDIC and the Federal Reserve will provide access to uninsured funds in the future in the event of the closure of other financial institutions (or do so in a timely fashion) and it is uncertain whether these steps by the government will be sufficient to calm the financial markets, reduce the risk of significant depositor withdrawals at other institutions and thereby reduce the risk of additional bank failures.

Despite governmental intervention resulting in additional protections for depositors and counterparties during Distress Events, there can be no assurance that such intervention will occur in a future Distress Event or that any such intervention undertaken will be successful or avoid the risks of loss, substantial delays or negative impact on banking or brokerage conditions or markets. Losses of depositor, creditor and counterparty confidence could lead to losses or defaults by the Fund or other institutions.

Any Distress Event has a potentially adverse effect on our ability to manage the Fund and its investments and on our and the Fund's ability to maintain operations, secure funding and engage in transactions, which in each case could result in significant losses. Such losses have the potential to include a loss of funds and the inability of a Fund to acquire or dispose of investments or acquire or dispose of such investments at prices that we believe reflect the fair value of such investments. If a Distress Event leads to a loss of access to a Financial Institution's services, it is also possible that the Fund will incur additional expenses or delays in putting in place alternative arrangements or that such alternative arrangements will be less favorable than those formerly in place (with respect to economic terms, service levels, access to capital or otherwise). Although we expect to exercise contractual remedies under agreements with Financial Institutions in the event of a Distress Event, there can be no assurance that such remedies will be successful or avoid losses or delays. The Fund is subject to similar risks if a Financial Institution utilized by investors in the Fund or by suppliers, vendors, service providers or other counterparties of the Fund becomes subject to a Distress Event, which could have a material adverse effect on the Fund. Financial Institutions are interrelated as a result of trading, clearing, counterparty and other relationships. As a result, defaults by, or even rumors or questions about, one of more Financial Institutions, or the industry generally, have historically led to market-wide liquidity problems. Losses of depositor, creditor and counterparty confidence and could lead to losses or defaults by the Fund or other Financial Institutions.

A Financial Institution may require, as a condition to using its services (including lending services), that we and/or the Fund maintain all or a set amount or percentage of their respective accounts or assets with the Financial Institution, which heightens the risks associated with a Distress Event with respect to such Financial Institution. Although we seek to do business with Financial Institutions that it believes are creditworthy and capable of fulfilling their obligations to the Fund, we are under no obligation to use a minimum number of Financial Institutions with respect to any Fund or to maintain account balances at or below the relevant insured amounts.

THE FOREGOING RISK FACTORS DO NOT PURPORT TO BE A COMPLETE DESCRIPTION OF ALL OF THE RISKS ASSOCIATED WITH OUR INVESTMENT PROGRAM. PROSPECTIVE INVESTORS SHOULD READ THIS BROCHURE AND THE OFFERING AND GOVERNING DOCUMENTS OF THE FUND IN THEIR ENTIRETY BEFORE MAKING ANY INVESTMENT DECISIONS.

Item 9: Disciplinary Information

Neither we nor any of our employees have been involved in any legal or disciplinary events related to past or present investment clients or investors.

Item 10: Other Financial Industry Activities and Affiliations

BROKER-DEALER, COMMODITY POOL OPERATOR, COMMODITY TRADING ADVISER, FUTURES COMMISSION MERCHANT REGISTRATION

Neither AWH Capital nor any of its management persons are registered, or have an application pending to register, as a broker-dealer or a registered representative of a broker-dealer, futures commission merchant, commodity pool operator, a commodity trading advisor, or as an associated person of the foregoing entities.

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

CODE OF ETHICS

We have adopted and implemented a code of ethics, which sets forth standards of business conduct for our employees. Our code of ethics is designed to educate employees about our philosophy regarding ethics and professionalism, emphasize our fiduciary duties to clients, encourage employees to comply with applicable laws, prevent the misuse of material non-public information, the circulation of rumors and other forms of market abuse and address conflicts of interest that arise from personal trading by employees. Among other things, we impose restrictions on employees, consultants and principals relating to the purchase or sale of securities for accounts with respect to which they have beneficial ownership and the accounts of certain affiliated persons. Such individuals are required to disclose, and in certain instances seek pre-approval for, their personal securities transactions and personal securities holdings. We also maintain certain policies and procedures designed to prevent employees and principals from misusing material non-public information. A copy of our code of ethics is available upon request.

OTHER ACTIVITIES

We and our affiliates may acquire the same securities as those owned by the Fund. In addition, we and/or one or more of our affiliates may, directly or indirectly, organize, sponsor and/or manage other limited partnerships or other pooled investment vehicles (each, a “Subsequent Fund”). No such Subsequent Fund will be precluded from co-investing with the Fund.

We will devote such time to the Fund’s affairs as is consistent with achieving the Fund’s investment objectives. However, except as otherwise provided in the Fund’s partnership agreement, we and any of our affiliates may engage in any activity permitted by applicable law.

Item 12: Brokerage Practices

SELECTING BROKERAGE FIRMS

In general, we have authority to select the brokers and other counterparties to be used for Fund transactions and negotiate commission rates and other monies paid by the Fund. We select broker-dealers on the basis of obtaining the best overall terms available, which we evaluate based on a variety of factors, including, among other things: the ability to achieve prompt and reliable executions at favorable prices; the operational efficiency with which transactions are effected; the financial strength, integrity and stability of the broker; the quality, comprehensiveness and frequency of available research and related services considered to be of value; and the competitiveness of commission rates in comparison with other brokers satisfying our other selection criteria. Because commission rates in the United States as well as other jurisdictions are negotiable, selecting brokers on the basis of considerations which are not limited to applicable commission rates may at times result in higher transaction costs than would otherwise be obtainable.

BEST EXECUTION

In placing orders for the purchase and sale of securities, we seek best net execution, which includes both commissions and execution prices. Orders are placed with brokers or dealers which we believe to be responsible and provide effective execution of Fund orders under conditions most favorable to the Fund.

SOFT DOLLAR PRACTICES

We may use soft dollars generated by the Fund to pay for certain research and/or related services provided by brokers described above. The term “soft dollars” refers to the receipt by an investment manager of products and services (including research) provided by brokers without any cash payment by the investment manager, based on the volume of revenues generated from brokerage commissions for transactions executed for clients of the investment manager. The products and services available from brokers include both internally generated items (such as research reports prepared by employees of the broker) as well as items acquired by the broker from third parties (such as quotation equipment).

Using soft dollars to obtain investment research and/or related services creates a conflict of interest between us and the Fund. Soft dollars may be used to acquire products and services that are not exclusively for the benefit of clients which paid the commissions and that may primarily or exclusively benefit us. If we are able to acquire these products and services without expending our own resources (including management fees paid by the Fund), our use of soft dollars would tend to increase our profitability. Furthermore, we may have an incentive to select or recommend brokers based on our interest in receiving research or other products or services, rather than on the Fund’s interest in receiving most favorable execution. We may cause the Fund to pay commissions (or markups or markdowns) higher than those charged by other brokers in return for soft dollar benefits.

At this time, we have no existing formal soft dollar arrangements in place and have no present intention to enter into soft dollar arrangements in the future. During the last fiscal year, however, we acquired research from brokers used to execute client transactions.

Section 28(e) of the Securities Exchange Act of 1934, as amended (the “Exchange Act”), provides a safe harbor to advisers who use soft dollars generated by client accounts to obtain investment research and brokerage services that provide lawful and appropriate assistance to us in the performance of investment decision-making responsibilities. We expect all soft dollars that we receive to fall within the parameters of Section 28(e) of the Exchange Act.

BROKERAGE FOR CLIENT REFERRALS

From time to time, third-party brokers provide opportunities for us to be introduced to potential investors. These brokers will not be compensated by us, the Fund or potential investors for providing such “capital introduction” opportunities. Nevertheless, such “capital introduction” opportunities may influence our decision to use (or continue to use) the services of these brokers.

DIRECTED BROKERAGE

We do not recommend, request or require clients to direct us to execute transactions through a specified broker-dealer. We also do not permit clients to direct brokerage for order execution purposes.

Item 13: Review of Accounts

REVIEWS OF ACCOUNTS

We generally conduct reviews of the Fund and its investments on at least a monthly basis. Mr. Hopper, our portfolio manager, is responsible for reviewing the Fund and its investments. With respect to accounting matters, we have engaged an independent public accounting firm to conduct an annual audit of the Fund.

We invest the Fund's capital in securities and other financial instruments. In monitoring the performance of the investments, we perform various levels of review. Among other items, we consider short and long-term rates of return, investment diversification and risk allocations.

ADDITIONAL REVIEWS

While we generally conduct reviews of the Fund and its investments on at least a monthly basis, we may conduct additional or more frequent reviews in the event of any withdrawal or capital contribution by an investor in the Fund, significant market or economic events or under various other circumstances.

REPORTS TO INVESTORS

We provide investors in the Fund with monthly account statements, quarterly investor letters, annual audited financial statements and certain U.S. income tax information. The Fund's financial statements are prepared in accordance with U.S. generally accepted accounting principles. All such statements and reports are written. In response to questions and requests and in connection with due diligence meetings and other communications, we may provide additional information to certain investors in the Fund that is not distributed to other investors in the Fund.

Item 14: Client Referrals and Other Compensation

THIRD PARTY COMPENSATION

Except as described in Item 12 above, we currently do not receive any economic benefit from any person (other than the Fund) for providing investment advisory services to the Fund.

REFERRALS

We currently do not compensate any third party for client or investor referrals.

Item 15: Custody

We are deemed to have custody of the Fund's cash and securities for purposes of Rule 206(4)-2 under the Advisers Act or applicable law. In accordance with Rule 206(4)-2, the Fund's cash and securities (except, if applicable, for privately placed securities) are maintained with one or more qualified custodians. We may change the custodians at any time and from time to time without the consent of, or notice to, investors. We have engaged an independent public accounting firm to conduct an annual audit of the Fund, and audited financial statements (prepared in accordance with generally accepted accounting principles) are provided to investors on an annual basis. We endeavor to provide such statements to investors within 120 days after the end of each fiscal year, but there can be no assurance that we will be successful in this regard. Qualified custodians do not provide statements directly to investors in the Fund.

Item 16: Investment Discretion

DISCRETIONARY AUTHORITY

We have discretionary power and authority over the types of financial instruments to be bought or sold, as well as the amount to be bought or sold on behalf of the Fund. We have authority to determine the broker-dealer or other counterparty to be used for Fund transactions and the negotiation of commission rates and other consideration to be paid by the Fund.

LIMITED POWER OF ATTORNEY

Each investor in the Fund generally grants us a limited power of attorney to enable us to execute the partnership agreement and to take certain other actions with respect to the Fund on its behalf. We also have authority to conduct authorized trading on behalf of the Fund.

Item 17: Voting Client Securities

We have the authority to vote proxies on behalf of the Fund. Accordingly, we have adopted proxy voting policies and procedures designed to further the best interests of the Fund. In general, our policy is to vote proxy proposals, amendments, consents or resolutions in a manner that serves the best interests of the Fund, as determined in our discretion. In the event that a material conflict in interest exists between us and the Fund in connection with any particular proxy vote, we will take appropriate steps to address and resolve any such conflict. We may also elect to take no action with respect to a proxy if it is in the best interest of the Fund not to vote a proxy. Investors may not direct or otherwise influence our vote with respect to any particular proxy solicitation. Investors may obtain copies of our proxy voting policy, together with information regarding how we have voted past proxies, by contacting us.

Item 18: Financial Information

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