

***Brochure***

**Elm Ridge Management LLC**

**March 20, 2024**

---

**This brochure provides information about the qualifications and business practices of Elm Ridge Management LLC (the “Adviser”), an investment adviser registered with the United States Securities and Exchange Commission (the “SEC”). If you have any questions about the contents of this brochure, please contact us at (914) 250-1000, or at [compliance@elmridgecap.com](mailto:compliance@elmridgecap.com). This information has not been approved or verified by the SEC or by any state securities authority.**

**Additional information about the Adviser also is available on the SEC’s website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).**

**Registration with the SEC or with any state securities authority does not imply a certain level of skill or training.**

Elm Ridge Management LLC  
298 Scarborough Rd  
Briarcliff Manor, New York 10510  
Tel: (914) 250-1000  
Fax: (914) 250-1005

---

**Item 2. Material Changes**

This Brochure has been prepared in connection with Elm Ridge Management LLC's annual amendment to Form ADV for the fiscal year ending December 31, 2023. Since Elm Ridge Management LLC filed its last Other-than-Annual amendment to Form ADV on September 27, 2023, there have been no material changes made to this Brochure.

**TABLE OF CONTENTS**

Item 4.	Advisory Business.....	4
Item 5.	Fees and Compensation.....	5
Item 6.	Performance-Based Fees and Side-by-Side Management.....	6
Item 7.	Types of Clients.....	7
Item 8.	Methods of Analysis, Investment Strategies and Risk of Loss .....	8
Item 9.	Disciplinary Information.....	11
Item 10.	Other Financial Industry Activities and Affiliations .....	12
Item 11.	Code of Ethics, Participation or Interest in Client Transactions and Personal Trading 13	
Item 12.	Brokerage Practices .....	14
Item 13.	Review of Accounts.....	15
Item 14.	Client Referrals and Other Compensation .....	16
Item 15.	Custody .....	17
Item 16.	Investment Discretion.....	18
Item 17.	Voting Client Securities .....	19
Item 18.	Financial Information .....	20

---

#### Item 4. Advisory Business

Elm Ridge Management LLC, a Delaware limited liability company established on June 26, 2006, operates as an investment advisory firm with its principal office in Briarcliff Manor, New York. Ronald E. Gutfleish serves as the primary owner of the Adviser.

Focusing on providing discretionary advisory services to one pooled investment vehicle (the “**Fund**”) tailored for sophisticated and institutional investors, the Adviser primarily offers investment advice concerning publicly-traded equity securities and listed equity options.

The Adviser provides advice to the Fund based on specific investment objectives and strategies. The Adviser does not tailor advisory services to the individual needs of investors. Investors in the Fund are precluded from placing constraints on investments in specific securities or security categories.

The Adviser does not engage in offering wrap fee programs.

As of December 31, 2023, the Adviser managed approximately \$148,825,317 in regulatory assets, all of which were supervised on a discretionary basis.

---

## Item 5. Fees and Compensation

The Adviser charges the Fund an investment management fee ranging from 1% to 1.5% annually based on the value of the Fund's assets under management. Investment management fees are charged each quarter in advance, calculated using the total market value of the net equity in the Fund (including net unrealized appreciation or depreciation of investments, cash, cash equivalents, and accrued interest) on the first day of the quarter. If an initial or additional investment is made to the Fund during a quarter, the investment management fee will be charged as of the date of such investment based on the value of such investment as of such date and will be prorated for the number of days remaining in the quarter.

The Adviser or a related person will be paid a performance-based fee or allocation, which is compensation that is based on a share of capital gains on or capital appreciation of the assets of a client, in an amount ranging from 18% to 20% of such gains or appreciation.

In addition to paying investment management fees and performance-based compensation, the Fund will also be subject to expenses incurred in its investment operations, including all expenses incurred in connection with the purchase, sale, evaluation, or carrying of any securities or investments, including, without limitation, custody, accounting and transfer fees, brokerage commissions, and expenses associated with the order management systems and trade allocation and acceptance services, interest expenses, and any expenses attributable to regulatory filings which are made with respect to the assets of the Fund (including, without limitation, Section 13, Section 16, and Form PF filings).

Moreover, clients will incur brokerage and other transaction costs. Please refer to Item 12 of this brochure for a discussion of the Adviser's brokerage practices.

The allocation of expenses by the Adviser represents a conflict of interest. The Adviser allocates expenses to each client in accordance with the client's arrangements with the Adviser (including applicable client disclosures). The Adviser seeks to allocate shared expenses for products and services benefiting the Adviser and the client and not covered in the client's arrangements in a fair and reasonable manner. The Adviser may use a variety of methods to allocate common expenses among its clients, including methods based on assets under management, relative use of a product or service, the nature or source of a product or service, the relative benefits derived by the Adviser's clients from a product or service, or other relevant factors. Nonetheless, the portion of a common expense that the Adviser allocates to a client for a particular product or service may not reflect the relative benefit derived by such client from that product or service in any particular instance.

---

#### **Item 6. Performance-Based Fees and Side-by-Side Management**

As mentioned in Item 5 of this brochure, the Adviser derives performance-based compensation from the Fund, which may create an incentive to pursue riskier or more speculative investments than in the absence of such compensation arrangements. Additionally, the compensation of the Adviser's investment personnel typically includes a performance-based component.

The Adviser has established and implemented comprehensive policies and procedures to address potential conflicts of interest arising from the Fund and the allocation of investment opportunities. These policies and procedures involve the review of investment decisions to ensure fair treatment of the Fund's investment objectives and regular comparison of the Fund's performance to identify any significant unexplained discrepancies.

---

**Item 7. Types of Clients**

The Adviser currently provides advisory services only to pooled investment vehicles. The minimum initial and subsequent subscription amounts are delineated in the Fund's offering memorandum.

---

## Item 8. Methods of Analysis, Investment Strategies and Risk of Loss

The Adviser employs a diverse array of methods and strategies for making investment decisions and recommendations. These methods encompass fundamental research and the application of technical analytical tools and approaches.

The Adviser implements the following investment strategies:

1. *Fundamental Value*: The Adviser participates in a fundamental value investment strategy, seeking to invest in asset-oriented securities that are believed to be undervalued by the market.
2. *Buy and Hold*: The Adviser follows a buy and hold investment strategy, purchasing securities and retaining them for extended periods, irrespective of short-term market fluctuations or stock price volatility.
3. *Option Trading*: The Adviser participates in various option trading strategies, which involve investments whose value depends on the underlying investment. These strategies include buying put options on individual equity securities, buying call options on individual equity securities, buying index put options, and buying index call options.
4. *Relative Value*: The Adviser pursues relative value strategies by taking long positions in securities believed to be undervalued and short positions in securities believed to be overvalued.
5. *Short Selling*: The Adviser engages in short selling strategies, selling securities it does not own in anticipation of a decline in their market price. Short sales are used as a form of hedging to offset potential declines in similar long positions, to maintain flexibility, and for profit.
6. *Arbitrage Transactions*: Arbitrage strategies aim to capitalize on perceived price discrepancies between identical or similar financial instruments on different markets or in different forms. Examples include event-driven arbitrage, merger arbitrage, capital structure arbitrage, convertible arbitrage, fixed income or interest rate arbitrage, statistical arbitrage, debt spread arbitrage, and index arbitrage. The Adviser may use one or more of these arbitrage strategies. However, if the components of an arbitrage strategy are not properly analyzed, or unexpected events or price movements occur, losses may result, which can be amplified if the Adviser is employing leverage. Furthermore, arbitrage strategies often rely on identifying favorable "spreads," which can also be identified, reduced, or eliminated by other market participants.

These methods, strategies, and investments carry the risk of loss for clients, who must be prepared to bear the entire loss of their investment.



Significant or unusual risks associated with the Adviser's investment strategies include:

1. *Issuer-Specific Changes:* Changes in an issuer's financial condition, specific economic or political conditions affecting a security or issuer, and general economic or political conditions can increase the risk of default, impacting a security's or instrument's value. Smaller, lesser-known issuers can experience more volatility compared to larger issuers.
2. *Hedging:* There is no guarantee that a specific hedge is appropriate, or that a particular risk is measured accurately. While the Adviser may engage in hedging transactions to reduce risk, these transactions may result in poorer overall performance and increased risk for the Adviser's investment portfolios.
3. *Lack of Diversification:* Client accounts may not be diversified across a wide range of securities, countries, or industry sectors, leading to more rapid changes in value.
4. *Leverage:* Performance may be more volatile if a client's account employs leverage.
5. *Relative Value Risk:* If the perceived mispricing underlying the Adviser's relative value trading positions fails to converge or diverges further from expected relationships, client accounts may incur a loss.
6. *Short Selling Risk:* The Adviser's investment program includes significant short selling, exposing the Adviser to the risk of loss greater than the initial investment. Losses can increase rapidly and without limit. A "short squeeze" can occur, forcing the Adviser to replace borrowed securities previously sold short with open market purchases at potentially much higher prices.

Significant or unusual risks associated with primarily recommended securities include:

1. *Equity Securities:* The value of equity securities fluctuates due to issuer, political, market, and economic developments. Fluctuations can be dramatic and affect different parts of the market and various types of equity securities differently.
2. *Illiquid Instruments:* Reduced liquidity can adversely impact market price and the Adviser's ability to sell securities when needed, making it difficult to obtain accurate valuations for a portfolio.
3. *Investments in Small and Mid-Capitalization Companies:* Investing in small and mid-cap issuers may present greater risks than large-cap issuers. These companies can have limited resources, high volatility, and may be more susceptible to losses and bankruptcy risks.
4. *REITs:* REIT investments may be affected by real estate values, interest rate volatility, and limited diversification.

5. *Derivatives:* Derivative investments carry counterparty risks, high degrees of leverage, and volatility.
6. *Non-U.S. Securities:* Foreign securities and currencies involve additional risks related to political, economic, or regulatory conditions in foreign countries.

Additional risks related to the Adviser:

1. *Cybersecurity Risk:* The Adviser's and key service providers' information and technology systems may be vulnerable to damage or interruption from various threats, potentially causing significant interruptions in operations or loss of sensitive data.
2. *Risk Management Failures:* The Adviser's risk management efforts may not account for all risks or be effective, possibly leading to material losses for clients.
3. *Systems and Operational Risk:* The Adviser relies on certain systems and services employed by third-party service providers, which are susceptible to errors and defects. Errors and disruptions in these systems could lead to financial losses, operational disruptions, liability, regulatory intervention, or reputational damage.

---

**Item 9. Disciplinary Information**

There are no criminal or civil actions, administrative proceedings, or self-regulatory organization proceedings to report.

---

**Item 10. Other Financial Industry Activities and Affiliations**

The Adviser, along with its personnel, neither maintains registration as a broker-dealer nor as a registered representative of a broker-dealer. Additionally, the Adviser is not registered as, nor has any pending applications to become, a Futures Commission Merchant, Commodity Pool Operator, or Commodity Trading Adviser, nor is the Adviser an associated person of any such aforementioned entities. The Adviser maintains no relationship or arrangement with other investment advisers that may potentially result in a material conflict of interest with investors. Moreover, the Adviser neither recommends nor selects other investment advisers on behalf of investors, and the Adviser does not receive any form of direct or indirect compensation from such advisers, which could otherwise engender a material conflict of interest involving investors.

---

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

The Adviser has established a Code of Ethics ("Code"), which obliges the Adviser and its related persons to prioritize the Fund's interests above their own and to act with integrity and fairness in all interactions with the Fund. Compliance with applicable federal securities laws is also required of all Adviser personnel. The Fund or potential investors may obtain a copy of the Code by contacting Sheetal Acharekar (Chief Compliance Officer) at [compliance@elmridgecap.com](mailto:compliance@elmridgecap.com) or (914) 250-1000. The Code also encompasses provisions regarding pre-clearance and reporting of securities transactions by related persons.

During investment management activities, the Adviser may gain access to confidential or material nonpublic information about issuers, including those in which the Adviser or its related persons have invested or intend to invest on behalf of the Fund. The Adviser is prohibited from improperly disclosing or using such information for their benefit or that of any other party, including the Fund. The Adviser maintains and enforces written policies and procedures to prevent unauthorized sharing of such information, ensuring compliance with applicable laws and fulfillment of obligations to the Fund.

Furthermore, potential conflicts may arise if the Adviser or its related persons invest in the same securities recommended to the Fund. The Adviser or its related persons may trade in a manner detrimental to the Fund due to the information they possess (e.g., executing their own trades before or after the Fund's trades to benefit from the Fund's trade-induced price movements). Such practices could compromise the Adviser's or related persons' objectivity and adversely impact the Fund's trade execution prices. To address these inherent conflicts, the Adviser mandates its related persons to pre-clear all personal transactions (excluding "reportable securities" transactions) with the Chief Compliance Officer, who may deny permission if a transaction appears to present a conflict of interest or seems otherwise improper. Generally, the Adviser will not approve purchases of reportable securities issued by companies within the Adviser's purview. Sales of reportable securities will typically be approved if the proposed transactions do not present potential conflicts or appear improper.

---

**Item 12. Brokerage Practices**

The Adviser takes into account various factors when selecting a broker-dealer for executing transactions and determining the broker-dealer's reasonable compensation. These factors include net price, reputation, financial stability, trading ability in challenging market conditions, execution and error resolution timeliness, trade confirmation accuracy, and expertise regarding specific securities. The Adviser is not required to solicit competitive bids or seek the lowest commission cost.

The Adviser receives "soft dollar" benefits, such as research or other products and services from broker-dealers and third parties in connection with client transactions. The Adviser restricts soft dollar usage to research and brokerage services compliant with Section 28(e) of the Securities Exchange Act of 1934. Conflicts of interest may arise from using client commissions for soft dollar benefits, as the Adviser may select broker-dealers based on interest in receiving such benefits. The Adviser evaluates soft dollar practices periodically and ensures that commissions used for obtaining products and services are reasonable relative to the value provided by broker-dealers.

For "mixed-use" products or services, the Adviser makes a good faith effort to determine the proportion used for Section 28(e) eligible purposes and other purposes. The Adviser pays for the proportion used outside Section 28(e) with its own resources. Records documenting allocation basis for mixed-use products or services are maintained.

The Adviser may participate in capital introduction programs arranged by broker-dealers but will only place client transactions with such firms if consistent with seeking best execution. The Adviser aggregates client orders for the same security to obtain favorable pricing or commission rates. Allocation of securities across clients considers factors such as account holdings, available cash, and position size. Aggregated orders are allocated in the best interests of participating clients.

---

**Item 13. Review of Accounts**

The portfolio managers of the Adviser conduct regular reviews of the Fund's portfolio to assess the appropriateness of maintaining current securities positions in light of prevailing market conditions. This evaluation process encompasses the examination of individual securities held, portfolio and sector exposures, overall risks, adherence to investment guidelines, and the performance of the Fund.

Non-periodic portfolio reviews may be initiated by substantial market events that affect the valuation of one or more securities within the Fund's portfolio.

Investors in the Fund receive reports in accordance with the terms outlined in the Fund's offering memorandum. These reports may be delivered electronically to the investors, in line with their agreement with the Adviser.

---

**Item 14. Client Referrals and Other Compensation**

The Adviser acquires specific research or other products or services from broker-dealers through "soft-dollar" arrangements. Such arrangements may incentivize the Adviser to select or recommend broker-dealers based on their interest in obtaining research or other products or services, rather than solely focusing on the lowest commission rates. As a result, these arrangements could potentially lead to higher transaction costs for the Fund than might otherwise be achievable. For further details on the Adviser's "soft-dollar" practices, please refer to Item 12.



---

**Item 15. Custody**

The Adviser and its affiliate are deemed to have custody of the assets of the Fund and intend to satisfy Rule 206(4)-2 under the Advisers Act by fulfilling the requirements of the "Pooled Vehicle Annual Audit Exception." This rule obligates the Fund to undergo an annual financial statement audit conducted by an independent public accountant that is registered with and regularly inspected by the Public Company Accounting Oversight Board. The financial statements must be prepared according to U.S. generally accepted accounting principles and must be distributed to each investor in the Fund within 120 days of the Fund's fiscal year-end.

---

**Item 16. Investment Discretion**

The Adviser has been granted discretionary authority to manage securities accounts on behalf of the Fund, and, as such, determines which securities to buy and sell, as well as the quantities involved. This authority is granted through a signed investment management agreement that defines the extent of investment discretion in relation to the Fund.

---

**Item 17. Voting Client Securities**

When the Adviser has proxy voting authority on behalf of the Fund, it adheres to its proxy voting policies and procedures to ensure that proxies are voted in the Fund's best interests. In the event of a material conflict of interest between the Adviser and the Fund, the Adviser will follow its internal procedures to resolve the conflict and vote in the Fund's best interests. The Adviser refrains from making any qualitative judgments regarding the Fund's investments.

Investors may request a copy of the Adviser's proxy voting policies and procedures, as well as information about how the Adviser voted proxies, by contacting Sheetal Acharekar (Chief Compliance Officer) via email at [compliance@elmridgecap.com](mailto:compliance@elmridgecap.com) or by phone at (914)-250-1000.

---

**Item 18. Financial Information**

The Adviser neither requires nor solicits prepayment of more than \$1,200 in fees per fund, six months or more in advance, and therefore is not required to include a balance sheet with this brochure.

Neither the Adviser nor its management has any financial condition that is reasonably likely to impair the Adviser's ability to meet contractual commitments to the Fund.

The Adviser has not been the subject of a bankruptcy petition in the last ten years.