
PART 2A OF FORM ADV: FIRM BROCHURE

BARINGTON COMPANIES INVESTORS, LLC

March 2024

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This brochure provides information about the qualifications and business practices of Barington Companies Investors, LLC (the “Adviser”) and Barington Companies Management, LLC (the “Relying Adviser”). If you have any questions about the contents of this brochure, please contact us at (212) 974-5710 or info@barington.com. 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.

The Adviser is registered as an investment adviser with the SEC. Registration with the SEC or with any state securities authority does not imply any level of skill or training.

Additional information about the Adviser also is available at the SEC’s website www.adviserinfo.sec.gov.

ITEM 2

MATERIAL CHANGES

In March 2024, the Adviser reviewed this Brochure as part of its yearly annual review, and made non-material revisions to certain disclosures contained in this Brochure. Nevertheless, the Adviser encourages readers to review this Brochure in its entirety as some changes to this Brochure may be considered material to some readers and immaterial to others.

If the Adviser makes any further material changes to this Brochure, this Item will be revised to identify and discuss such changes.

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ITEM 4

ADVISORY BUSINESS

A. Overview.

The Adviser, Barington Companies Investors, LLC, is a Delaware limited liability company that was formed in May 1999 and commenced operations in 2000. James A. Mitarotonda (the “Principal Owner”) is the managing member of the Adviser.

Barington Companies Management, LLC, an affiliate of the Adviser, is a relying adviser (the “Relying Adviser”). The Relying Adviser is also a Delaware limited liability company that was formed in May 1999 and commenced operations in 2000. The Principal Owner is also the managing member of the Relying Adviser.

The Adviser and the Relying Adviser (collectively, “Barington”) are majority-owned subsidiaries of Barington Capital Group, L.P., a New York limited partnership. The general partner of Barington Capital Group, L.P. is LNA Capital Corp., a Delaware corporation. The Principal Owner is the sole stockholder and director of LNA Capital Corp.

B. Description of Advisory Services.

The Adviser is the general partner of, and provides discretionary investment advisory services to, Barington Companies Equity Partners, L.P., a Delaware limited partnership that commenced operations in January 2000 (the “Fund”). Limited partnership interests (“Interests”) in the Fund are offered on a private placement basis in compliance with Regulation D under the Securities Act of 1933, as amended, and are exempt from registration under Section 3(c)(7) of the Investment Company Act of 1940, as amended, subject to certain conditions that are set forth in the offering documents for the Fund. The Relying Adviser serves as the manager of the Fund. Persons reviewing this Brochure should not construe this as an offer to sell or solicitation of an offer to buy Interests in the Fund. Any such offer or solicitation shall be made only by delivery of the confidential offering documents of the Fund to qualified investors.

The Fund’s investment objective is to realize superior long-term returns, principally in the form of capital appreciation, through the purchase of equity securities of small- and mid-capitalization, publicly traded and privately held companies. The Adviser generally seeks to invest the Fund’s assets in public companies that have a total market capitalization of between \$100 million and \$5 billion and in private companies, or portions thereof, that have a total acquisition price of \$10 to \$100 million, with private company investments limited to not more than 20% of the Fund’s capital (in terms of cost at the time of investment). The Adviser has the authority, however, to invest in companies with larger capitalizations and acquisition prices.

The Adviser seeks to establish sizable, long-term positions in a concentrated number of companies whose value could appreciate significantly as a result of a change in corporate strategy or various operational, financial or corporate governance improvements. Core positions in the Fund’s portfolio are expected to consist generally of a limited number of companies, generally ranging from approximately five to twenty issuers. After establishing a position in a company, Barington seeks to function as a value-added investor to help effectuate change to improve

shareholder value. Among other things, Barington may attempt to act as a catalyst to compel a merger or an acquisition, the sale of the entire company or the divestiture of one or more underperforming divisions, the implementation of operating and corporate governance improvements and expense reductions, a change in strategic direction or a change in management or management structure. A complete description of the Fund's investment program is set forth in the Amended and Restated Confidential Private Offering Memorandum for the Fund (the "Offering Memorandum").

From time-to-time, the Adviser enters into agreements ("Co-Investment Agreements") to provide non-discretionary investment advisory services to various parties (each, a "Co-Investor") that may be interested in co-investing with the Fund on specific investment opportunities. The investment objective of the co-investments is to realize returns, principally in the form of capital appreciation, through investments in small- and mid-capitalization publicly-traded companies where Barington can act as a catalyst to enhance shareholder value (each, an "Investment Opportunity"). When an Investment Opportunity is identified by the Adviser that the Adviser believes may be of interest to a Co-Investor, the Adviser may present such Investment Opportunity to the Co-Investor for its approval or disapproval. The Co-Investor will determine, in its sole discretion, whether or not to invest in the Investment Opportunity and the amount to be invested in the Investment Opportunity. Once an investment decision has been approved by a Co-Investor, the Adviser will typically execute trades for the Co-Investor and its other Clients (as hereinafter defined) participating in the Investment Opportunity utilizing a broker-dealer selected by Barington. *See Item 12B.* After the Adviser establishes a position in an Investment Opportunity, Barington then seeks to function as a value-added investor to help effectuate change to improve shareholder value as described above.

The Adviser also provides discretionary and non-discretionary investment advisory services to separately managed accounts (the "Managed Accounts"). The discretionary Managed Accounts investment objective is to realize superior long-term returns, principally in the form of capital appreciation, through the purchase of equity securities of small- and mid-capitalization publicly traded companies by pursuing investment strategies substantially similar to those of the Fund. All investments made by the Adviser for the discretionary Managed Account, and the amount invested in each such investment, are to be selected by the Adviser in its sole discretion acting in good faith, it being understood that the Managed Accounts will not seek to replicate the Fund or its historical investments, but rather will co-invest with the Fund from time to time in new investments made by the Fund. As a result, the discretionary Managed Account is likely to have a more concentrated portfolio than the Fund's. The Adviser executes trades for the Managed Accounts and its other Clients participating in the Investment Opportunity utilizing a broker-dealer selected by Barington. *See Item 12B.* After the Adviser establishes a position in an Investment Opportunity, Barington then seeks to function as a value-added investor to help effectuate change to improve shareholder value as described above.

Finally, the Adviser provides research, analytical and non-discretionary investment advisory services to a publicly traded company (the "Company"), to assist the Company in identifying public companies that may be appropriate for investment or acquisition by the Company. Pursuant to the agreement between the Adviser and the Company, the Adviser will present potential investment or acquisition opportunities to the Company that it believes may be appropriate for the Company, based on direction and feedback it receives from the Company from

time to time. The Company will determine, in its sole discretion, whether or not to pursue any opportunity presented by the Adviser. The Company is not required to pursue any investment or acquisition opportunity presented to it by the Adviser, and may reject any investment or acquisition opportunity that is presented to it by the Adviser for any reason whatsoever.

While Barington currently only provides advisory services to the Fund, the Co-Investors, the Managed Accounts and the Company (collectively, “Clients”), Barington may, in the future, provide advisory services to additional clients with similar or differing investment strategies.

THERE CAN BE NO ASSURANCE THAT THE ADVISER WILL BE SUCCESSFUL IN ASSISTING ANY CLIENT IN ACHIEVING ITS INVESTMENT OBJECTIVES. THE TYPE OF INVESTING BARINGTON UNDERTAKES IS SPECULATIVE AND, BY ITS NATURE, MAY BE CONSIDERED TO INVOLVE A HIGH DEGREE OF RISK. SEE ITEM 8 BELOW.

C. Availability of Customized Services.

The Adviser tailors the advisory services it provides to the Co-Investors, the Managed Accounts, and the Company to meet the individual needs of such Clients. The Adviser does not tailor its advisory services to the Fund to the individual needs of investors (“Investors”) in the Fund nor accept Investor-imposed investment restrictions.

D. Wrap Fee Programs.

The Adviser does not participate in any wrap fee programs.

E. Assets Under Management.

As of December 31, 2023, the Adviser managed approximately \$146,112,404 on a discretionary basis and approximately \$529,122 on a non-discretionary basis in regulatory assets under management.

ITEM 5 FEES AND COMPENSATION

A. Compensation for Advisory Services.

The Relying Adviser receives a management fee (the “Management Fee”) from the Fund, paid on a quarterly basis in advance from the assets of the Fund, in an amount equal to 0.25% - 0.50% of the net asset value of each Investor’s interests in the Fund on the first business day of each calendar quarter (1.0% - 2.0% on an annualized basis). Management Fees vary based upon the class of interests held by each Investor, with classes that include a lockup period having lower Management Fees.

The Adviser receives an annual incentive fee from the Fund in an amount equal to 10% - 20% of the amount of aggregate appreciation in each Investor’s capital account (the “Performance Allocation”), subject to a loss carryforward provision which is designed to ensure that an Investor recoups any prior losses before a Performance Allocation is charged (a so-called “high watermark” provision). Performance Allocations vary based upon the class of interests held by each Investor, with classes with investment terms that include a lockup period having lower Performance Allocations. The Performance Allocation of certain investors in the Fund prior to March 1, 2005 is also subject to a 6% hurdle.

The Adviser, as the general partner of the Fund, may from time to time, in its sole discretion, waive a portion of the fees attributable to limited partners making significant investments in the Fund. Certain Investors in the Fund, which are affiliates or employees of Barington, do not pay management or performance-based fees on their investment in the Fund. Such Investors do pay their pro rata share of expenses, as described below in *C. Additional Fees and Expenses*.

INVESTORS ARE REFERRED TO THE FUND’S OFFERING MEMORANDUM AND LIMITED PARTNERSHIP AGREEMENT FOR A MORE COMPLETE DESCRIPTION REGARDING THE PAYMENT OF FEES. THE INFORMATION CONTAINED IN THIS ITEM 5 IS A SUMMARY ONLY AND IS QUALIFIED IN ITS ENTIRETY BY REFERENCE TO THE FUND’S OFFERING DOCUMENTS.

With respect to the Co-Investors and the Managed Account, the Adviser is entitled to receive a performance fee from such Clients in an amount equal to 10-16% of net profits. The performance fee is typically payable to the Adviser either on an annual basis (in which case it is subject to a loss carryforward provision) or upon the sale, transfer or disposition of the underlying investment(s). The Adviser may also be entitled to receive a management fee (the “Management Fee”) in an amount equal to 1.0% on an annualized basis).

With respect to the Company, the Adviser receives a monthly fee for the research, analytical and non-discretionary investment advisory services it provides, payable by the Company in arrears. The advisory services provided to the Company by the Adviser are non-discretionary, and the Adviser does not receive a management fee for such services. The Adviser may receive a performance-based fee from the Company, at such times and in such amounts as agreed between the parties, in the event that the Company elects to make an investment in, or enter into a

transaction with, an investment or acquisition opportunity presented to the Company by the Adviser.

The fees payable by Co-Investors, the Managed Account and the Company are negotiated with each Client individually, and the Adviser may charge different fees to different Client accounts. Details of the fees payable by each Client are set forth in such Client's investment advisory agreement.

THE INFORMATION CONTAINED IN THIS ITEM 5 IS A SUMMARY ONLY AND IS QUALIFIED IN ITS ENTIRETY BY REFERENCE TO THE RELEVANT INVESTMENT ADVISORY AGREEMENT.

B. Payment of Fees.

Fees payable to the Adviser or the Relying Adviser by the Fund are deducted from the assets of the Fund. Management Fees are calculated by the Fund's independent administrator and are deducted from the Fund on a quarterly basis in advance with the authorization of the Fund's general partner and the independent administrator. Performance Allocations are similarly calculated by the Fund's independent administrator and are deducted on an annual basis as of the last day of each fiscal year, subject to the Fund's loss carryforward provision.

INVESTORS ARE REFERRED TO THE FUND'S OFFERING MEMORANDUM AND LIMITED PARTNERSHIP AGREEMENT FOR A MORE COMPLETE DESCRIPTION REGARDING THE PAYMENT OF FEES. THE INFORMATION CONTAINED IN THIS ITEM 5 IS A SUMMARY ONLY AND IS QUALIFIED IN ITS ENTIRETY BY REFERENCE TO THE FUND'S OFFERING DOCUMENTS.

With respect to the Co-Investors, performance fees are billed to and paid by the Co-Investors either on an annual basis or upon the sale, transfer or disposition of a co-investment. Management fees are billed to and paid by the Co-Investors on a quarterly basis. With respect to the Managed Account, performance fees are billed to and paid by the Client on an annual basis and management fees are billed to and paid by the Client on a quarterly basis. Such fees are not deducted from the Managed Account. With respect to the Company, the monthly fee is payable to the Adviser on a monthly basis in arrears. Any performance-based fees that may be payable to the Adviser by the Company would be paid at such times and in such amounts as may be agreed to between the parties.

C. Additional Fees and Expenses.

Barington is responsible for all ordinary expenses related to the provision of its services to the Fund. The Fund is responsible for all of its own costs and expenses, including, but not limited to, the following: (i) the costs and expenses of organizing and any restructuring of the Fund and offering of interests in the Fund (excluding any placement fees); (ii) all unreimbursed costs and expenses related to the implementation of activist investment strategies and consummated or unconsummated investments and transactions, including, but not limited to, outside professional fees (such as, by way of example, legal fees and fees and expenses of proxy advisors, public relations firms and other third party consultants, advisors and service providers); due diligence,

travel, lodging, meals and related expenses; compensation to agents of the Fund; and associated regulatory filings; and (iii) the Fund's operating and administrative costs, including, but not limited to, brokerage commissions and other charges for transactions in securities and other instruments; the fees and expenses of the Fund's independent administrator; custodial fees and expenses; tax return preparation; legal fees and expenses; outside auditing and accounting services; and all extraordinary expenses. Barington does not receive any portion of these fees and expenses and does not receive a brokerage commission attributable to the purchase or sale of any security for the Fund. The Adviser may, in its sole discretion, waive the right to be reimbursed for any of the foregoing expenses for any time period. Complete details of expenses paid by the Fund are described in the Offering Memorandum.

The Adviser is responsible for its expenses incurred in connection with the performance of its obligations to the Co-Investors and the Managed Account. The Co-Investors are responsible for all trading costs incurred in connection with their purchase and sale of the securities of an Investment Opportunity. The Managed Account is responsible for all expenses related to its underlying account as well as trading costs for such accounts, including, without limitation, custodial fees and brokerage commissions.

In addition, the Co-Investors and the Managed Account are responsible for their pro rata share of all unreimbursed expenses incurred by the Adviser and its affiliates in connection with execution of their investment strategies, including, without limitation, due diligence, travel and all other unreimbursed out-of-pocket costs and expenses incurred in connection with the investment, such as third-party legal and litigation costs, costs of communications with shareholders, and fees and expenses of proxy advisors, public relations firms and other third party consultants and advisors.

With respect to the Company, the Adviser is not entitled to the reimbursement of expenses it may incur providing services to the Company. In the event that the Adviser and the Company decide to co-invest and act as a group with respect to any investment opportunity, it has been agreed that each party would be responsible for its pro rata share of all expenses incurred by the Adviser and the Company on behalf of the group in connection with the co-investment and the execution of the group's investment strategy.

D. Prepayment of Fees.

As noted in Item 5A above, the Fund's Management Fees are paid quarterly in advance. Fees are not payable in advance with respect to the Co-Investors, the Managed Account or the Company.

E. Compensation for the Sale of Securities.

Barington does not receive compensation for the sale of securities or other investment products.

ITEM 6

PERFORMANCE-BASED FEES AND SIDE-BY-SIDE MANAGEMENT

As described in Item 5 above, Barington receives performance fees from each of its Clients, although at different rates. With respect to the Company, such fees are only applicable if the Company makes an investment in, or enters into a transaction with, an investment or acquisition opportunity presented to the Company by Barington.

Although the acceptance of performance-based fees has largely become a customary standard in investment advisory relationships, it may create an incentive for the Adviser to make investments or take action that is riskier or more speculative than might be the case under other compensation arrangements or favor accounts where a performance-based fee is received over accounts where other types of compensation are payable.

Barington believes that it has more than adequate resources to provide advisory services to all of its Clients and does not believe it is incentivized to favor one Client as opposed to another. However, Barington may arguably have an incentive to (a) present investment ideas to the Fund, the Co-Investors and the Managed Account, as opposed to the Company, as Barington may be more assured of receiving a performance-based fee from the Fund, the Co-Investors and the Managed Account than from the Company, (b) present investment ideas to the Fund as opposed to the Co-Investors or the Managed Account, as Barington is generally entitled to receive larger performance-based fees from the Fund than from the Co-Investors or the Managed Account, and/or (c) present investment or acquisition ideas to the Company that relate to investments made by Barington on behalf of the Fund, the Co-Investors and the Managed Account, as any action taken by the Company may potentially benefit the Fund, the Co-Investors and the Managed Account and therefore increase the compensation payable to Barington from these Clients. Barington has agreed that, without the consent of the Company, Barington will not cause or advise any of its Clients to purchase shares in a publicly traded company from and after the date that the Company has informed Barington that it wishes to enter into a transaction with such company, for so long as the Company is working in good faith towards the completion of such a transaction. While it is unclear whether the Company would exercise this right, it could arguably create an incentive to present an opportunity to Clients other than the Company first.

Barington has no obligation to present an investment opportunity to a Co-Investor, the Managed Account or the Company, and each of these parties has acknowledged or agreed that Barington advises other clients and may recommend that Barington's other clients invest in an opportunity either before, concurrently or after such investment opportunity has been presented to such party. For example, Barington may elect to purchase for the Fund an initial position in a company before the investment opportunity is considered for the Managed Account or presented to a Co-Investor, and Barington may elect not to present such investment opportunity to a Co-Investor.

In practice, Barington seeks to treat each Client in a fair and equitable manner and ensure that it is given the opportunity to participate in investment opportunities it believes are appropriate and meet the Client's investment objectives. Barington executes substantially the same investment strategy for each of the Fund, the Co-Investors and the Managed Account and typically believes that it is in the best interests of such Clients to co-invest as a group in an Investment Opportunity.

Barington is of the practice of aggregating trade orders and allocating shares purchased or sold among its Clients on an equitable basis. *See Item 12B.* Based on the size of the companies Barington typically invests in, in most cases there is not a limitation on the number of shares available for investment by Barington's Clients. Barington finds that in most instances the research and analytical services it provides for the Fund generates ideas for potential investment (or acquisition) opportunities for the Co-Investors, the Managed Account and the Company. Furthermore, Barington believes that the services it provides to the Company may potentially lead to the identification of co-investment opportunities that could benefit all of its Clients.

ITEM 7

TYPES OF CLIENTS

The Adviser currently provides discretionary and non-discretionary investment advisory services to a private investment fund, a public company, and various business entities.

Investors in the Fund include high net worth individuals, family offices, corporations, business entities, defined contribution plans, affiliates of Barington and employees of Barington. Each Investor in the Fund must meet the eligibility provisions as outlined in the Fund's offering documents, including a minimum initial investment of \$1 million (which may be waived in the discretion of the Adviser).

Barington may provide similar or different advisory services to additional clients in the future, including, without limitation, other private funds and other types of clients.

ITEM 8

METHODS OF ANALYSIS, INVESTMENT STRATEGIES AND RISK OF LOSS

A. Methods of Analysis and Investment Strategies.

The descriptions set forth in this brochure of specific advisory services that Barington offers to Clients is not exhaustive and should not be understood to limit in any way Barington's investment activities. Barington may offer any advisory services, engage in any investment strategy and make any investment, including any not described in this brochure, that Barington considers appropriate, subject to each Client's investment objectives and guidelines. Each Client may have objectives and/or restrictions that differ from the description below, as well as from other Clients. The specific details of the investment strategy and restrictions for any particular Client are set forth in the offering documents and/or investment advisory agreement for such Client.

The investment strategies the Adviser pursues entail substantial risk and there can be no assurance that the investment objectives of any Client will be achieved. Clients should be prepared to bear the risk of losing their entire investment. There can be no assurance that the investment objectives of any Client will be achieved.

1. With Respect to the Fund.

The Fund's investment objective is to realize superior long-term returns, principally in the form of capital appreciation, through the purchase of equity securities of small- and mid-capitalization, publicly traded and privately held companies.

The principals of Barington are value-oriented investors who have taken active roles in assisting management teams in designing and implementing strategic plans to create or unlock value. The

Adviser generally seeks to invest the Fund's assets in public companies that have a total market capitalization of between \$100 million and \$5 billion and in private companies, or portions thereof, that have a total acquisition price of \$10 to \$100 million, with private company investments limited to not more than 20% of the Fund's capital (in terms of cost at the time of investment). There will be no fixed limitations as to the amount of Fund assets that may be invested in a single industry or company. The Adviser has the authority, however, to invest in companies with larger capitalizations and higher acquisition prices.

The Adviser seeks to establish sizable, long-term positions in a concentrated number of companies whose value could appreciate significantly as a result of a change in corporate strategy or various operational, financial or corporate governance improvements. Core positions in the Fund's portfolio are expected to consist generally of a limited number of companies, generally ranging from approximately five to twenty issuers. The Adviser then seeks to function as a value-added investor to help effectuate change and consequently improve shareholder value. Among other things, the Adviser may seek to act as a catalyst to compel a merger or an acquisition, the sale of the entire company or the divestiture of one or more underperforming divisions, the implementation of operating and corporate governance improvements and expense reductions, a change in strategic direction or a change in management or management structure.

Set forth below is a description of the Fund's general investment methodology with respect to investing in public and private companies:

Strategic Investing in Public Companies. The Adviser will invest in publicly-traded companies that it believes are undervalued by the marketplace and whose value would appreciate significantly as a result of operational improvements, or a change in strategic direction, management, corporate governance or ownership. The Fund's investment strategy is to identify and invest in undervalued companies and, if necessary, take action that will improve shareholder value.

The Adviser uses a "value investor" approach to search for investment opportunities at companies where their intrinsic or economic value is not reflected in their current market valuation. The Adviser believes that there are pricing inefficiencies with respect to many smaller companies, particularly in instances where there is limited research on such companies. Furthermore, the management teams of such companies may go unchecked and, as a result, may not always operate such companies with a focus on maximizing shareholder value.

A differential between the market value and the intrinsic value of a company can be caused, in the Adviser's view, by strategic, operational, capital allocation and corporate governance issues that it believes can often be resolved. Strategic issues that may negatively impact valuations include inefficient conglomerate structures where the sum of the parts is worth more than the whole. Operational issues that negatively affect valuations include (i) poor management, (ii) inadequate product distribution, (iii) inappropriate marketing, (iv) lack of focus resulting from operating disparate businesses, (v) lack of cost control and (vi) poor execution. Capital allocation issues that may represent opportunities include (a) excessive investment in low return businesses, (b) "hidden" asset values, such as real estate holdings which are accounted for based upon historical cost that may have appreciated over the holding period, (c) substantial cash positions which are not reflected in the stock price, and (d) problematic capital structures which, if restructured, can lead to an increase in value. Corporate governance issues that may impede the ability of a company to maximize shareholder value include (1) a lack of directors with relevant industry experience who are independent from the CEO, (2) the absence of an independent chairman, and (3) excessive corporate defenses (such as a poison pill, a staggered board of directors and supermajority voting provisions) that may have the effect of entrenching a company's board and its management team.

Once a company is identified as undervalued by the Adviser, the Adviser will determine if an activist strategy could potentially improve shareholder value. In certain circumstances, it may be determined that a passive investment approach is the best course to follow. However, if an activist strategy is deemed necessary, the Adviser has extensive experience in a variety of activist investment approaches. The strategies that the Adviser may employ include working with management or the company's board of directors on strategic, operational, financial and/or corporate governance issues, recommending a management change, acquiring a significant ownership interest, or influencing management to sell the entire company (or a division thereof). The exit strategy for investments will range from sale of the entire company to a third party, the Fund's sale of its ownership interest at an appreciated value or the outright purchase of the

company by the Fund, either alone or in conjunction with management and other partners, through a leveraged buyout.

Controlling Investments in Private Companies. The Adviser may cause the Fund to make controlling investments, either by itself or in conjunction with other investors, in companies that it believes can be purchased at attractive prices in the private markets. The Adviser believes that it can create additional value for the Fund's investments by applying the business expertise, management skills, financial acumen and capital markets experience of its principals and its advisors to each private company. In such instances, the Fund will either support existing management or will attempt to install a management team that it finds acceptable. In each case, company management will report to a board of directors which may be controlled by the Fund or on which it has meaningful representation.

The Adviser intends to target transactions with a total purchase price generally ranging between \$10 million and \$100 million, with an equity investment by the Fund to represent at least a portion of the purchase price. The non-equity portion of the purchase price will typically take the form of bank and/or subordinated debt or preferred stock. The Adviser does not intend to invest more than a total of 20% of the Fund's capital (in terms of cost at time of investment) in private company investments; however, the Adviser will have the authority to exceed this limit if it considers it appropriate to do so.

Opportunities to invest in private companies are generated primarily from the following sources:

- privately held family businesses that have limited exposure to sophisticated operating, marketing or financial management who recognize that they require additional talent, knowledge, experience or capital to increase the company's sales and profitability;
- larger corporations that are interested in spinning off divisions or subsidiaries in order to focus their efforts on a core strategy;
- the extensive network of contacts of the Adviser, its principals and the advisors to the Fund, including many successful investor partners and business operators; and
- public companies that are taken private in connection with the sale to a financial buyer.

In each of the above situations, the owners/managers of the company may lack a partner who can add capital and value to help in the transition of the company to its next phase of development. The Fund believes that it has the access to capital and the expertise to be a valuable resource to such companies or their management teams. Typically, the Fund will seek to purchase companies with strong management and create incentives with equity. However, if current management, in the Fund's view, is not sufficient or qualified, the Fund may either invest based upon a new management team or may participate in selecting new management once the investment is consummated.

THE INFORMATION CONTAINED IN THIS ITEM 8A IS A SUMMARY ONLY AND IS QUALIFIED IN ITS ENTIRETY BY REFERENCE TO THE FUND'S OFFERING DOCUMENTS. INVESTORS SHOULD REFER TO THE FUND'S OFFERING DOCUMENTS FOR A COMPLETE UNDERSTANDING OF THE FUND'S METHODS OF ANALYSIS AND INVESTMENT OBJECTIVE STRATEGIES.

INTERESTS IN THE FUND ARE SPECULATIVE AND, BY THEIR NATURE, MAY BE CONSIDERED TO INVOLVE A HIGH DEGREE OF RISK. INVESTMENT IN THE FUND IS DESIGNED ONLY FOR SOPHISTICATED INVESTORS WHO ARE ABLE AND PREPARED TO BEAR THE RISK OF LOSING THEIR ENTIRE INVESTMENT IN THE FUND.

2. With Respect to the Co-Investors.

The Adviser has entered into agreements to provide non-discretionary investment advisory services to Co-Investors that may be interested in co-investing with the Fund on specific investment opportunities. The Adviser's investment objective with respect to the Co-Investments is to realize returns, principally in the form of capital appreciation, through investments in small- and mid-capitalization publicly-traded companies (each, an "Investment Opportunity") where Barington can act as a catalyst to enhance shareholder value. When an investment opportunity is identified by the Adviser that the Adviser believes may be of interest to a Co-Investor, the Adviser may present such investment opportunity to the Co-Investor for its approval or disapproval. The Co-Investor will determine, in its sole discretion, whether to invest in an Investment Opportunity and the amount to be invested in the Investment Opportunity.

The methods of analysis and investment strategies used by the Adviser for the Co-Investors will be substantially similar to that used by the Adviser with respect to the Fund. Investments made by or on behalf of Co-Investors in an Investment Opportunity will not, however, have the same diversification as the Fund.

THE TYPE OF INVESTING BEING CONSIDERED BY THE CO-INVESTORS IS SPECULATIVE AND, BY ITS NATURE, MAY BE CONSIDERED TO INVOLVE A HIGH DEGREE OF RISK. SUCH INVESTING IS ONLY FOR SOPHISTICATED INVESTORS WHO ARE ABLE AND PREPARED TO BEAR THE RISK OF LOSING THEIR ENTIRE INVESTMENT.

3. With Respect to the Managed Account.

The Adviser entered into an agreement to provide investment advisory services to the Managed Account. The Adviser's investment objective with respect to the Managed Account is to realize superior long-term returns, principally in the form of capital appreciation, through the purchase of equity securities of small- and mid-capitalization, publicly traded companies by pursuing investment strategies substantially similar to those of the Fund. All investments made by the Adviser for the Managed Account, and the amount invested in each such investment, are to be selected by the Adviser in its sole discretion acting in good faith.

The methods of analysis and investment strategies used by the Adviser for the Managed Account will be substantially similar to that used by the Adviser with respect to the Fund, with the exception that the Managed Account's investment portfolio will not seek to replicate the Fund or its historical investments, but rather will co-invest with the Fund from time to time in new investments made by the Fund as determined by the Adviser in its sole discretion acting in good faith. As a result, the Managed Account is likely to have a more concentrated portfolio than the Fund's.

THE TYPE OF INVESTING BEING CONSIDERED BY THE MANAGED ACCOUNT IS SPECULATIVE AND, BY ITS NATURE, MAY BE CONSIDERED TO INVOLVE A HIGH DEGREE OF RISK. SUCH INVESTING IS ONLY FOR SOPHISTICATED INVESTORS WHO ARE ABLE AND PREPARED TO BEAR THE RISK OF LOSING THEIR ENTIRE INVESTMENT.

4. With Respect to the Company.

The Adviser has entered into an agreement to provide research, analytical and non-discretionary investment advisory services to the Company, to assist the Company in identifying public companies that may be appropriate for investment or acquisition by the Company. The Adviser will present potential investment or acquisition opportunities to the Company that it believes may be appropriate for the Company, based on direction and feedback provided to the Adviser from the Company from time to time. The Company will determine, in its sole discretion, whether or not to pursue any opportunity presented by the Adviser. The Company is not required to pursue any investment or acquisition opportunity presented to it by the Adviser, and may reject any investment or acquisition opportunity that is presented to it by the Adviser for any reason whatsoever. The types of investment or acquisition opportunities the Adviser will seek to identify for the Company, and the methods of analysis used by the Adviser to seek to identify them, are expected to vary based on the direction and feedback provided to the Adviser by the Company. The Adviser will not be implementing any investment strategies or managing any assets or accounts on behalf of the Company.

THE TYPE OF INVESTING BEING CONSIDERED BY THE COMPANY IS SPECULATIVE AND, BY ITS NATURE, MAY BE CONSIDERED TO INVOLVE A HIGH DEGREE OF RISK. SUCH INVESTING IS ONLY FOR SOPHISTICATED INVESTORS WHO ARE ABLE AND PREPARED TO BEAR THE RISK OF LOSING THEIR ENTIRE INVESTMENT.

B. Material, Significant or Unusual Risks Relating to Investment Strategies.

1. With Respect to the Fund.

The summary below describes in general terms some of the risk factors relating to the Fund's investment strategy and trading practices. It does not purport to be a complete enumeration or explanation of the risks involved and is qualified in its entirety by reference to the Fund's offering documents. It is critical that investors refer to the Fund's offering documents for a more complete description of these and other risks.

Market Risks

No assurance can be given that the Fund will achieve its overall investment objectives or that the Adviser will be able to allocate the Fund's assets in a manner that is profitable to the Fund. Additionally, the profitability of a significant portion of the Fund's investment program may depend, in part, on correct assessments of the future course of the price movements of securities and other investments. There can be no assurance that the Adviser will be able to accurately predict such price movements. Unexpected volatility or liquidity in the markets in which the Fund directly or indirectly holds positions could impair the Fund's ability to carry out its business and could cause it to incur losses. In addition to market risk, there is unpredictability as to changes in general economic conditions, which may affect the profitability of the Fund's investment program. With respect to the investment strategies utilized by the Fund, there is always some, and often a significant, degree of market risk.

Strategy Risks

The investment strategies which are employed by the Fund involve a number of important risks, including those described below.

Strategies Generally. As the Fund's value-oriented investment approach includes identifying securities which are generally undervalued (or, in the case of short positions, overvalued) by the marketplace, success of the strategy necessarily depends upon the market eventually recognizing such value in the price of the security, which may not necessarily occur, or may occur over extended time frames. Many of the Fund's investments may be event-driven, where success may be dependent upon an expected "catalyst," which may or may not occur in a timely fashion. The success of the Fund's investment strategy with respect to an investment depends upon, among other things: (i) that the Adviser has properly identified a company whose securities are undervalued and whose securities prices can be improved, including through the Fund's actions; (ii) that the Fund, together with affiliated accounts and other co-investors, can acquire sufficient securities of such company at sufficiently attractive prices; (iii) that the Fund, together with affiliated accounts and other co-investors, avoid triggering anti-takeover and regulatory obstacles that might exist while aggregating its position; (iv) that the company's board of directors and management team, as well as other stockholders, respond positively to the Fund's actions; and (v) that the market price of the company's securities increases. There can be no assurance that any of the foregoing will occur, or, if they do occur, in what time frame. Furthermore, the Fund's exit strategy, such as a sale of the company or public sale of securities, may involve prolonged effort and be subject to numerous contingencies and consequent uncertainty. As a result, the holding periods for the Fund's core positions may vary substantially, with holding periods of core positions anticipated to be between two (2) to five (5) years, and perhaps longer. The Fund's strategy will inherently involve considerable expertise and skill, including elements of subjective analysis and judgment, on the part of the Adviser's principals in selecting investments, as well as their ability to timely execute trades and take a variety of actions with regard to ongoing investments.

Actions of other Stockholders or Co-Investors. Successful execution of the Fund's investment strategy with respect to a company may also depend on the actions of other stockholders and others with an interest in such company. Some stockholders may have interests

that diverge from those of the Fund and some of those parties may be indifferent to changes proposed by the Fund. Moreover, securities that the Adviser believes are undervalued or incorrectly valued may not become valued in the capital markets at prices and/or within the time frame that the Adviser anticipates, even if the Fund's investment strategy is successfully implemented. Finally, even if the prices for the securities of a company increase, there is no assurance that the Fund will be able to realize any increase in the price of such security.

In addition, the interests and investment time frames of co-investors with the Fund could diverge from those of the Fund. Among other things, such co-investors (who may have more favorable liquidity terms) may have a short investment timeline, or need to monetize their investment in a company prior to the Fund achieving its goals. Furthermore, as the expected holding period of the Fund's investments exceeds the length of the notice period to exercise withdrawal rights, it is possible that some investors may seek to exercise such rights prior to the Fund achieving its goals with respect to a particular investment, which could necessitate the Fund to prematurely liquidate all or a portion of its position in such investment.

Investing in Small- and Mid-Capitalization Companies. The Adviser expects that on account of its investment focus, most of the companies selected for investment are likely to be small- and mid-capitalization issuers. Investing in such companies may often be regarded as more speculative in nature and involving increased levels of investment risk as compared to larger-capitalized companies. Although the Adviser will employ a variety of screening and analytical techniques, there will be no fixed requirements as to levels of revenues or earnings, cash flow, market capitalization or other fundamentals applicable to the Fund's investments. It is likely that many investments of the Fund will occur in unseasoned companies, in companies requiring management changes or in turnaround or troubled companies, or companies that lack the financial resources, product diversification or competitive strength of larger companies. Given the nature of the Fund's investment approach, investors in the Fund must be prepared to assume the higher levels of risks inherent in such investments.

Potential Price Volatility. Even assuming that the Adviser accurately identifies mispricing of securities by the marketplace, the market may require considerable time, if ever, to correctly revalue such securities and enable the Fund to realize upon its investments. The Fund may be expected to require longer-term holding periods for many of its positions in order to be successful. Many portfolio positions may be thinly traded, inaccurately priced by the market or subject to considerable price fluctuation. Accordingly, such positions may experience considerable price volatility over the Fund's holding periods. An investment in the Fund, therefore, may not be appropriate for investors requiring short-term liquidity or stable returns.

Concentration of Investments. As described herein, the Fund's investment portfolio, on account of size, investment strategy and other considerations, is likely to be confined to the securities of relatively few issuers. Apart from a 20% limit upon investments in private companies (in terms of cost at the time of investment), which could be exceeded if the Adviser deems appropriate, there will be no fixed limits regarding concentration as to issuers, industries, industry sectors or types of investments. Such concentration necessarily increases the degree of Fund exposure to a variety of issuer-related, industry or market risks. By concentrating investments in a small number of large security positions relative to Fund capital, a loss in any such position could materially reduce the Fund's performance or asset base, to the extent not offset by other gains.

Performance Allocation to the Adviser. The Adviser is entitled to receive a Performance Allocation based upon the net capital appreciation, if any, allocated with respect to investors' capital accounts. Although the acceptance of performance-based allocations has largely become a customary standard for private investment partnerships, this compensation arrangement may create an incentive for the Adviser to make investments or take action that is riskier or more speculative than might be the case under other fee arrangements. Furthermore, since the performance-based allocations are based upon portfolio gains, both realized and unrealized (net of realized and unrealized losses), it is possible that the Adviser may receive a performance-based allocation based upon unrealized appreciation in particular positions which are not in fact achieved upon the eventual disposition of such positions.

Investments with Limited or No Liquidity. The Fund may take positions in particular securities which are relatively large as compared to their trading volume or overall market capitalization. Such positions may at times prove more difficult to sell in a timely or efficient manner and could thus impair to some extent the Fund's ability to fully realize portfolio gains or limit losses. The Adviser does not intend to generally limit investments to issuers of any particular minimum capitalization and is likely, in fact, to focus upon small- and mid-capitalization stocks. Such stocks often have less liquidity than large capitalization issuers.

Many securities of the small- and mid-capitalization companies that the Fund invests in may be thinly traded or otherwise have markets of limited liquidity. In addition, the Fund may invest in "restricted securities," which are subject to legal restrictions on their public resale. The Fund may also hold positions in companies where representatives of Barington or one of its affiliates sits on the board of directors. As a result, public resale of these securities may be limited under the Securities Act, as the Fund's investments in these companies may be deemed "control securities" under the securities laws. Furthermore, the Fund may be subject to the trading windows and insider trading policies of such companies as well as obligations under Section 16 of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), which, among other things, subjects trading in certain of these companies' securities to the "short swing profit rule." Investing in securities with limited or no liquidity or where representatives of Barington sit on the board of directors may impair the Fund's ability to dispose of such securities on a timely basis. As a result, the ability of the Fund to timely execute transactions in order to realize gains and avoid losses may be hindered. Fund positions in such securities could be substantial.

Activist Investing. The Fund may assume positions, perhaps frequently, in a particular issuer with the intention of seeking one or more significant changes in the business or management of the issuer or the consummation of specific transactions. Such activist positions typically involve greater time and effort than so-called "passive" investing and could involve litigation or other proceedings or subject the Fund to public criticism from the issuer. Successful activist approaches are often subject to a variety of contingencies not present in typical passive investing situations. Although the Adviser and its principals and their advisors have considerable experience in such investments, the level of skill, expertise and effort required for successful activist investing may be regarded as high. As the Fund may engage the services of a number of outside professionals to assist it in achieving its investment objectives – which may include lawyers, proxy advisors and public relations firms, among others – activist investing frequently involves greater expense than passive investing. There can be no assurance that the Adviser will necessarily be successful in

achieving the changes sought in activist circumstances or that such investments will necessarily be profitable.

Schedule 13D Disclosure. Section 13(d) of the Exchange Act provides that any “group” acquiring in excess of 5% of a company’s equity must make certain public disclosures on Schedule 13D. Should the Fund, either alone or together as a “group” with other funds or managed accounts affiliated with Barington and/or other persons, acquire in excess of 5% of a company’s equity securities, the Fund would be required to file a Schedule 13D with the SEC. The filing of such a Schedule 13D might adversely affect the Fund’s ability to acquire sufficient additional securities at appropriate prices to pursue its strategy with respect to that company. In addition, even if the Fund is not acting as part of a “group” in acquiring a company’s equity securities, the company or the SEC could challenge the Fund’s strategy by alleging that it is part of a “group” and should have made a Schedule 13D filing. If such a challenge were successful, the Fund could be treated as having violated the Exchange Act, which could have a material adverse effect on the Fund. The determination of what is a “group” is fact-specific; however, the Fund does not intend to possess beneficial ownership, either alone or together with other persons, over more than 5% of a company’s equity securities without making all required filings.

Turnaround Investing. The Fund may invest in companies involved in acquisition attempts or tender offers or companies involved in work-outs, liquidations, spin-offs, reorganizations, bankruptcies, turnarounds, minority freeze outs and similar scenarios. In any investment opportunity involving any such type of business enterprise situation, there exists the risk that the transaction in which such business enterprise is involved either will be unsuccessful, take considerable time or will result in a distribution of cash or a new security the value of which will be less than the purchase price to the Fund of the security or other financial instrument in respect of which such distribution is received. Similarly, if an anticipated transaction does not in fact occur, the Fund may be required to sell its investment at a loss. Because there is substantial uncertainty concerning the outcome of transactions involving financially troubled companies in which the Fund may invest, there is a potential risk of loss by the Fund of its entire investment in such companies.

Distressed Securities or Special Situation Investing. The Fund may invest in securities of issuers in weak financial condition, experiencing poor operating results, having substantial financial needs or negative net worth, facing special competitive or product obsolescence problems or that are involved in bankruptcy or reorganization proceedings. Investments of this type involve substantial financial business risks that can result in substantial or total losses. Among the problems involved in investments in troubled issuers is the fact that it frequently may be difficult to obtain information as to the conditions of such issuers. The market prices of such securities are also subject to abrupt and erratic market movements and above-average price volatility, and the spread between the bid and asked prices of such securities may be greater than normally expected. It may take a number of years for the market price of such securities to reflect their intrinsic value. These types of securities require active monitoring and may, at times, require participation in bankruptcy or reorganization proceedings by the Fund. To the extent that the Fund becomes involved in such proceedings, the Fund may have a more active participation in the affairs of the issuer than that assumed generally by an investor.

Limited Hedging. Although the Adviser does engage in certain transactions for hedging purposes or tax planning purposes from time to time, such as by making short sales against various

indices or exchange traded funds, it is not an objective of the Adviser to fully hedge the Fund's portfolio and many risks may not be effectively hedged. Accordingly, it should be assumed that the Fund will be exposed to specific issuer risk attendant to particular positions as well as to broader market risks, such as adverse price movements in the securities markets generally, and systemic risks of equity investing.

To the extent that the Adviser does engage in hedging, the success of any hedging activities will depend, in part, upon the Adviser's ability to correctly assess the degree of correlation between the performance of the instruments used in the hedging strategy and the performance of the Fund's investment being hedged. Since the characteristics of many securities change as markets change or time passes, the success of the Fund's hedging strategy will also be subject to the Adviser's ability to continually recalculate, readjust and execute hedges in an efficient and timely manner. While the Fund may enter into hedging transactions to seek to reduce risk, such transactions may result in a poorer overall performance for the Fund than if it had not engaged in such hedging transactions. For a variety of reasons, the Adviser may not seek to establish a perfect correlation between the hedging instruments utilized and the Fund's holdings being hedged. Such an imperfect correlation may prevent the Fund from achieving the intended hedge or expose the Fund to risk of loss. The Adviser may not hedge against a particular risk because it does not regard the probability of the risk occurring to be sufficiently high as to justify the cost of the hedge, or because it does not foresee the occurrence of the risk.

Competition; Availability of Investments. Certain markets in which the Fund may invest are extremely competitive for attractive investment opportunities. There can be no assurance that the Adviser will be able to identify or successfully pursue attractive activist or other investment opportunities in such environments. Since the Fund was founded, there has been significant growth in the number of firms organized to make such investments, which may result in increased competition to the Fund in obtaining suitable investments. As a result, it may be difficult for the Fund to capitalize on investment opportunities or to purchase investments at the Fund's initial desired price.

Trading Risks

The investment techniques which may be employed by the Fund involve a number of risks, including those described below.

General Investment and Trading Risks. All investments present a risk of loss of capital. Supply and demand for securities and other financial instruments change rapidly and are affected by a variety of factors. Such factors include investment-specific price fluctuations as well as macro-economic, market and industry-specific conditions, including, but not limited to, national and international economic conditions, domestic and international financial policies and performance, conditions affecting particular investments (such as the results of operations, financial condition, sales and product lines of corporate issuers), national and international politics, governmental events and changes in interest rates and income tax laws. In addition, events such as political instability, terrorism, natural disasters, and regional and global pandemics may occur. The Fund may have only limited ability to vary its investment portfolio in response to changing economic, financial, investment and other conditions. No guarantee or representation can be made

that the Fund's investment program will be successful. The market price of securities and other financial instruments owned by the Fund may go up or down, sometimes unpredictably.

Leverage. While historically the use of leverage by the Adviser has been modest, the Adviser may utilize leverage, which may range from margin borrowings, in the case of public portfolio companies, to a variety of negotiated or structured debt or senior equity, in the case of private issuers. Overall leverage levels of the Fund may range from low to moderate (or higher) and may include some transactions, such as leveraged buyouts, which reflect substantial use of leverage. There is no fixed restriction on the maximum use of leverage by the Fund. While leverage presents opportunities for increasing the Fund's total return, it has the effect of potentially increasing losses as well, in addition to increasing portfolio volatility. Adverse market fluctuations in the case of leveraged positions may require the untimely liquidation of one or more investment positions. Interest costs of borrowings will be an expense of the Fund and therefore both borrowing levels and fluctuations in interest rates may affect the operating results of the Fund. To the extent that a creditor has a claim on assets of the Fund, such claim would be senior to the rights of a Partner in the Fund.

Brokerage Firms and Custodians May Fail. The institutions, including the prime broker, with which the Fund does business or to which the Fund's assets have been entrusted for custodial purposes, may encounter financial difficulties that impair the operational capabilities or the capital position of the Fund. Events in the past in the credit market have challenged the financial stability of a number of established financial institutions. In the event that one of the Fund's brokers becomes bankrupt and fails to segregate the Fund's assets on deposit as required, the Fund may be subject to a risk of loss for any deficiency. Even if the Fund does not lose its assets on deposit with its brokers (or other financial institutions with which the Fund may deal), the Fund could incur market losses as a result of financial difficulties at such institutions (including, but not limited to, in situations where the Fund may be unable to access its assets and/or execute transactions through its brokers or other financial institutions in a timely manner). In addition, non-U.S. institutions, including non-U.S. brokers, may be subject to different bankruptcy or other regulatory regimes than those applicable to U.S. institutions, and in doing business with such non-U.S. institutions, the Fund may not be afforded certain of the protective measures provided by the U.S. Commodity Exchange Act, the CFTC and the rules of the National Futures Association in the case of certain U.S. brokers. Although the Fund will attempt to minimize its risk in this area, there is no action that the Fund can take which is completely risk-free.

Force Majeure Events. Portfolio investments may be affected by force majeure events (i.e., events beyond the control of the party claiming that the event has occurred, including, without limitation, acts of God, fire, flood, earthquakes, outbreaks of an infectious disease, pandemics or other serious public health concerns, war, terrorism, labor strikes, major plant breakdowns, pipeline or electricity line ruptures, failure of technology, defective design and construction, accidents, governmental policies and social instability). Some force majeure events may adversely affect the ability of a party (including a portfolio investment or a counterparty to a portfolio investment) to perform its obligations until it is able to remedy the force majeure event. Furthermore, force majeure events that are incapable of or are too costly to cure may have a permanent adverse effect on a portfolio company. Certain force majeure events (such as war or an outbreak of an infectious disease) could have a broader negative impact on the world economy and international business activity generally, or in a country in which the Fund has invested

specifically. Any of the foregoing may therefore adversely affect the performance of the Fund and its investments.

Other Possible Investment Techniques. The Adviser is authorized to utilize a broad variety of instruments and investment techniques, such as the use of options, derivatives and structured securities, when deemed in furtherance of the Fund's investment strategy. Such instruments and techniques may involve risks in addition to those described above.

Business and Regulatory Risks of Private Funds. Legal, tax and regulatory developments could occur that may adversely affect the Fund. Private funds are subject to careful governmental, as well as self-regulatory, scrutiny. As the regulatory environment for private funds is constantly evolving, it is impossible to predict what, if any, changes may occur in the regulation of private funds and their trading activities and whether they may adversely affect the ability of the Fund to pursue its investment strategy.

Cybersecurity; Security Breaches and Disruptions

In the ordinary course of business, the Fund, the Adviser, its affiliates and their service providers use computer systems and networks and collect and store, on such parties' systems and networks and/or on the systems and networks of their third party vendors, sensitive data including the intellectual property, trading data and personally identifiable information of the Fund's limited partners. The secure processing, maintenance and transmission of this information is critical to the Fund's operations. Despite the security measures implemented by the Fund, the Adviser, its affiliates and their service providers and/or vendors, such parties' information technology and infrastructure may be vulnerable to attacks by hackers.

Cybersecurity breaches can include unauthorized access to systems, networks, or devices; infection from computer viruses or other malicious software code; and attacks that shut down, disable, slow or otherwise disrupt operations, business processes or website access or functionality. Techniques used to obtain unauthorized access to data, disable or degrade service, or sabotage systems change frequently. The Adviser, its affiliates and their service providers' systems and networks may also be susceptible to breaches as a result of employee error, malfeasance, governance surveillance or other security threats or technological disruptions.

These attacks or breaches may remain undetected for an extended period of time and could compromise such networks, resulting in the information stored therein being accessed, publicly disclosed, lost and/or stolen. Any such access, disclosure or loss of information may have legal ramifications (including legal claims or proceedings, liability under laws that protect the privacy of personal information and regulatory penalties under federal and/or state securities laws) and may result in the disclosure or misuse of confidential information concerning the Fund's limited partners, cause financial loss, the disruption of its business, liability to third parties, regulatory intervention or reputational harm to the Adviser, its affiliates and/or the Fund and increase their respective costs. All of the foregoing potential consequences of an attack or breach could have a material adverse effect on the Fund and its limited partners.

ALL SECURITIES INVESTMENTS RISK THE LOSS OF CAPITAL. THERE CAN BE NO ASSURANCE THAT THE FUND WILL BE PROFITABLE OR THAT IT WILL NOT

INCUR LOSSES. PROSPECTIVE INVESTORS SHOULD, AMONG OTHER MATTERS, CONSIDER THE RISKS SUMMARIZED ABOVE BEFORE INVESTING IN THE FUND. AN INVESTMENT IN THE FUND IS SPECULATIVE, INVOLVES A HIGH DEGREE OF RISK, AND IS SUITABLE ONLY FOR SOPHISTICATED INVESTORS WHO ARE WILLING AND ABLE AND PREPARED TO ASSUME THE RISK OF LOSING THEIR ENTIRE INVESTMENT.

THE SUMMARY ABOVE DESCRIBES IN GENERAL TERMS SOME OF THE RISK FACTORS THAT SHOULD BE CAREFULLY CONSIDERED BEFORE MAKING AN INVESTMENT IN THE FUND. THESE RISK FACTORS ARE NOT A COMPLETE LIST OF ALL RISK FACTORS ASSOCIATED WITH AN INVESTMENT IN THE FUND. IT IS RECOMMENDED THAT PROSPECTIVE INVESTORS CONSULT THEIR OWN ADVISORS ON LEGAL, TAX AND FINANCIAL ISSUES THAT ARE RELEVANT FOR THEIR SPECIFIC SITUATION, AS THE INFORMATION HEREIN SHOULD BE REGARDED AS GENERAL INFORMATION.

2. With Respect to the Co-Investors.

As noted in Item 8A above, the Adviser is providing investment advisory services to the Co-Investors, with the investment objective of realizing returns, principally in the form of capital appreciation, through investments in small- and mid-capitalization publicly-traded companies where Barington can act as a catalyst to enhance shareholder value. The investment strategy used by the Adviser will therefore be similar to that with respect to the Fund.

The Adviser expects that the investment strategy implemented on behalf of the Co-Investors would be subject to the same market, strategy and trading risks identified in this Item 8, with the exception that investments made on behalf of the Co-Investors would not have the same diversification as the Fund and each company a Co-Investor invests in is subject to the prior written approval of the Client.

ALL SECURITIES INVESTMENTS RISK THE LOSS OF CAPITAL. THERE CAN BE NO ASSURANCE THAT ANY INVESTMENT MADE BY THE CO-INVESTORS WILL BE PROFITABLE OR THAT IT WILL NOT INCUR LOSSES. THE TYPE OF INVESTING BEING CONSIDERED BY THE CO-INVESTORS IS SPECULATIVE AND, BY ITS NATURE, MAY BE CONSIDERED TO INVOLVE A HIGH DEGREE OF RISK. SUCH INVESTING IS ONLY FOR SOPHISTICATED INVESTORS WHO ARE ABLE AND PREPARED TO BEAR THE RISK OF LOSING THEIR ENTIRE INVESTMENT.

3. With Respect to the discretionary Managed Account.

As noted in Item 8A above, the Adviser is providing investment advisory services to the Managed Account, with the investment objective of realizing superior long-term returns, principally in the form of capital appreciation, through activist investing in the equity securities of publicly traded small and mid-capitalized companies. The investment strategy used by the Adviser

will therefore be similar to that with respect to the Fund, and it is expected that the Managed Account will co-invest with the Fund from time to time in new investments made by the Fund.

The Adviser expects that the investment strategy implemented on behalf of the Managed Account would be subject to the same market, strategy and trading risks identified in this Item 8, with the exception that the Managed Account's investment portfolio is expected to be more concentrated than the Fund's.

ALL SECURITIES INVESTMENTS RISK THE LOSS OF CAPITAL. THERE CAN BE NO ASSURANCE THAT ANY INVESTMENT MADE BY THE MANAGED ACCOUNT WILL BE PROFITABLE OR THAT IT WILL NOT INCUR LOSSES. THE TYPE OF INVESTING BEING CONSIDERED BY THE MANAGED ACCOUNT IS SPECULATIVE AND, BY ITS NATURE, MAY BE CONSIDERED TO INVOLVE A HIGH DEGREE OF RISK. SUCH INVESTING IS ONLY FOR SOPHISTICATED INVESTORS WHO ARE ABLE AND PREPARED TO BEAR THE RISK OF LOSING THEIR ENTIRE INVESTMENT.

4. With Respect to the Company.

As noted in Item 8A above, the Adviser is providing research, analytical and non-discretionary investment advisory services to the Company, to assist the Company in identifying public companies that may be appropriate for investment or acquisition by the Company. The Adviser will not be implementing any investment strategies or managing any assets or accounts on behalf of the Company.

The Adviser expects that any investment strategy implemented by the Company would be subject to many of the same market, strategy and trading risks identified in this Item 8, as well as additional risks based on the specifics of the investment strategy ultimately implemented.

ALL SECURITIES INVESTMENTS RISK THE LOSS OF CAPITAL. THERE CAN BE NO ASSURANCE THAT ANY INVESTMENT MADE BY THE COMPANY WILL BE PROFITABLE OR THAT IT WILL NOT INCUR LOSSES. THE TYPE OF INVESTING BEING CONSIDERED BY THE COMPANY IS SPECULATIVE AND, BY ITS NATURE, MAY BE CONSIDERED TO INVOLVE A HIGH DEGREE OF RISK. SUCH INVESTING IS ONLY FOR SOPHISTICATED INVESTORS WHO ARE ABLE AND PREPARED TO BEAR THE RISK OF LOSING THEIR ENTIRE INVESTMENT.

C. Recommendation of a Particular Type of Security.

1. With Respect to the Fund.

The Fund's investments will generally consist of equity securities. As a result of the Fund's investment strategy described in Item 8A above, the Fund's investments in equity securities are subject to the risks specified in Item 8B above. Furthermore, investment in equity securities may be affected by business, financial market or legal uncertainties. While the Adviser may attempt to hedge the Fund's investment portfolio, there can be no assurance that the Adviser will correctly

evaluate the nature and magnitude of the various factors that could affect the value of the Fund and its return on investments and/or hedge the Fund's investment portfolio effectively. Prices of investments may be volatile, and a variety of factors that are inherently difficult to predict, such as domestic or international economic and political developments, may significantly affect the results of the Fund's activities and the value of its investments. In addition, the value of the Fund's portfolio may fluctuate as the general level of interest rates fluctuate.

2. With Respect to the Co-Investors.

The Co-Investor's investments will generally consist of equity securities. As a result of the investment strategies described in Item 8A above, their investments in equity securities are subject to the risks specified in Item 8B above. Furthermore, investment in equity securities may be affected by business, financial market or legal uncertainties. The Adviser generally does not attempt to hedge investments made on behalf of Co-Investors. Prices of investments may be volatile, and a variety of factors that are inherently difficult to predict, such as domestic or international economic and political developments, may significantly affect the results of the Co-Investors' activities and the value of their investments. In addition, the value of these investments may fluctuate as the general level of interest rates fluctuate.

3. With Respect to the discretionary Managed Account.

The Managed Account's investments will generally consist of equity securities. As a result of its investment strategy described in Item 8A above, its investments in equity securities are subject to the risks specified in Item 8B above. Furthermore, investment in equity securities may be affected by business, financial market or legal uncertainties. While the Adviser may attempt to hedge the Managed Account's investment portfolio, there can be no assurance that the Adviser will correctly evaluate the nature and magnitude of the various factors that could affect the value of the Managed Account and its return on investments and/or hedge its investment portfolio effectively. Prices of investments may be volatile, and a variety of factors that are inherently difficult to predict, such as domestic or international economic and political developments, may significantly affect the results of the Managed Account's activities and the value of its investments. In addition, the value of this portfolio may fluctuate as the general level of interest rates fluctuate.

4. With Respect to the Company.

The Adviser provides research, analytical and non-discretionary investment advisory services to the Company with respect to potential investments in equity securities of publicly traded companies. In addition to market, strategy and trading risks associated with investing in equity securities, including risks such as those identified in this Item 8, investment in equity securities may be affected by business, financial market or legal uncertainties. Prices of investments may be volatile, and a variety of factors that are inherently difficult to predict, such as domestic or international economic and political developments, may significantly affect the results

of the Company's investment activities and the value of its investments. In addition, the value of the Company's investment portfolio may fluctuate as the general level of interest rates fluctuate.

ITEM 9
DISCIPLINARY INFORMATION

There are no legal or disciplinary events that are material to a current or prospective Client's or Investor's evaluation of Barington's advisory business or the integrity of Barington's management.

ITEM 10
OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS

A. Broker-Dealer Registration Status.

Neither the Adviser nor the Relying Adviser is registered as, or has an application pending to register as, a broker-dealer or a registered representative of a broker dealer.

B. Futures Commission Merchant, Commodity Pool Operator or Commodity Trading Adviser Registration Status.

Neither the Adviser nor the Relying Adviser is registered as, or has an application pending to register as, a futures commission merchant, commodity pool operator, a commodity trading advisor or an associated person of the foregoing entities.

C. Material Relationships or Arrangements with Industry Participants.

The Adviser serves as the general partner to the Fund, and the Relying Adviser serves as the manager to the Fund. The Adviser, certain of its affiliates and their employees also are Investors in the Fund, and investments made by such parties are not subject to the Management Fee or Performance Allocation described in Item 5 above.

Certain Supervised Persons (as such term is defined in Item 11A below) of Barington serve on the board of directors of certain companies in which the Fund and Barington's other Clients invest and receive fees for such services which they retain. Barington or an affiliate thereof also serves as an advisor to a company in which the Fund and certain of Barington's other Clients invest and receives fees for such services which Barington retains. While Barington believes that serving as an advisor or having representatives on the boards of its portfolio companies is beneficial to the Fund and its other Clients, in so doing, such parties may acquire fiduciary duties to the company and its stockholders in addition to the duties they owe to the Fund and Barington's other Clients. Such fiduciary duties could potentially result in a party being required to take action that, while in the best interest of a company and its shareholders, may not be in the best interest of the Fund and Barington's other Clients. Under such circumstances, Barington or a Supervised Person may have a conflict of interest as result of the fiduciary duties (if any) that it owes the company and its shareholders, on the one hand, and those that it owes to the Fund, on the other hand. In the event that a conflict of interest occurred and a Supervised Person was unable to take actions that are in the best interests of all parties concerned in accordance with the duties he or she owes to each such party, such person would abstain from voting on such decisions for Barington and its Clients (including, without limitation, proxy voting decisions).

Service as a director or a consultant to a company may result in Barington receiving material, non-public information concerning the company and/or electing or being required to abide by the trading windows established by such companies with respect to trading for the Fund and other Barington Clients. While the receipt of material, non-public information may assist Barington in understanding a company and helping it improve the company's long-term value, it may also limit the ability of Barington to trade in the security of such company for a period of time, which could have an adverse effect on the Fund and other Barington Clients. To date,

Barington's inability to trade has not presented a significant obstacle to portfolio management or its ability to execute Barington's investment strategy.

D. Material Conflicts of Interest Relating to Other Investment Advisers.

Barington does not recommend or select other investment advisers for its clients.

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

A. Code of Ethics.

The Adviser has adopted a code of ethics (“Code of Ethics”) to establish good business practices and prevent violations of the federal securities laws. The Code of Ethics applies to the Relying Adviser as well.

The Code of Ethics is designed to meet the requirements of Rule 204A-1 of the Investment Advisers Act of 1940, as amended (the “Advisers Act”). The Code of Ethics applies to Barington’s supervised persons (which term includes all officers and employees of Barington) (“Supervised Persons”). The Code of Ethics requires Supervised Persons to comply with applicable federal securities laws and sets forth a standard of business conduct that takes into account Barington’s status as a fiduciary. Other policies addresses certain issues facing Barington, such as: outside business activities, gifts and entertainment, and conflicts of interest. The Code of Ethics also requires Supervised Persons to promptly bring known or suspected violations of the Code of Ethics to the attention of Barington’s Chief Compliance Officer. All Supervised Persons are provided with a copy of the Code of Ethics and are required to acknowledge receipt of the Code of Ethics on at least an annual basis.

The Code of Ethics also includes the Barington’s insider trading policy which provides that no Supervised Person may trade, either personally or on behalf of any Client of Barington, while in possession of material, non-public information or communicate such information to another in violation of law.

As required by Rule 204A-1 of the Advisers Act, and as further discussed in Item 11C below, the Code of Ethics also sets forth certain reporting and pre-clearance requirements with respect to personal trading by Supervised Persons. Supervised Persons must pre-clear all transactions in securities. In addition, Supervised Persons must provide annual holdings reports and quarterly transaction reports in accordance with Rule 204A-1. Barington maintains a “restricted list” that includes, among other things, the names of companies whose securities are subject to a ban on sales or purchases because Barington has knowledge of material non-public information regarding such companies, as well as the names of companies in any Client’s investment portfolio or that Barington is considering for potential investment. The pre-clearance process is designed to ensure that personal trading does not occur in securities of companies on the restricted list.

THE INFORMATION CONTAINED IN THIS ITEM 11A IS A SUMMARY ONLY AND IS QUALIFIED IN ITS ENTIRETY BY REFERENCE TO THE CODE OF ETHICS. WE WILL PROVIDE A COPY OF THE CODE OF ETHICS TO ANY CLIENT OR INVESTOR, OR PROSPECTIVE CLIENT OR INVESTOR, UPON REQUEST.

B. Participation or Interest in Client Transactions.

As previously noted, the Adviser serves as the investment advisor and the general partner of the Fund. As noted in Item 5 above, Barington and its employees are Investors in the Fund, and Barington does not charge a Management Fee or Performance Allocation to such affiliated Investors. Barington believes that the fact that Barington, its affiliates and related persons are Investors in the Fund aligns the interests of such parties with the interests of other Investors in the Fund. However, having an ownership interest in the Fund by Barington, its affiliates and related persons could potentially motivate Barington to favor the Fund over other Clients in allocating investment opportunities. Barington has adopted procedures designed to ensure that its other Clients are treated in a fair and equitable manner as described in Item 6 above.

Barington also maintains a Code of Ethics, as further described in Item 11A above, and all Supervised Persons are required to acknowledge their receipt and understanding of the Code of Ethics. Finally, as noted in Item 11A and 11C, all Supervised Persons are subject to personal securities transaction pre-clearance requirements to ensure that personal trading does not occur in securities of companies in any Client's investment portfolio or that Barington is considering for investment.

C. Personal Trading.

Subject to significant restrictions, Barington's Supervised Persons are permitted to execute securities transactions in their personal accounts. This presents potential conflicts in that an officer or employee of Barington could make improper use of information regarding a Client's holdings or future transactions contemplated for a Client. For example, a Supervised Person could take for himself or herself an investment opportunity available to a Client or seek to "front run" trades for a Client.

Barington manages the potential conflicts of interest inherent in personal trading by enforcement of its Code of Ethics, which contains pre-clearance and reporting guidelines for Supervised Persons. Specifically, the Code of Ethics requires Supervised Persons to obtain prior written approval from the Chief Compliance Officer before engaging in any transactions in their personal accounts. The Chief Compliance Officer may only approve the transaction if he concludes that the transaction would comply with the provisions of the Code of Ethics. As noted above, Barington also maintains a "restricted list," which includes securities that are under consideration for investment by Clients, as well as any securities owned by Clients. Generally, any security appearing on the restricted list will not be approved for personal trading.

The Chief Compliance Officer or his designee also reviews each Supervised Person's personal transaction reports to make sure each Supervised Person is conducting his or her personal securities transactions in a manner that is consistent with the Code of Ethics.

ITEM 12

BROKERAGE PRACTICES

A. Selection of Broker-Dealers for Client Transactions.

Barington has full authority to select broker-dealers to execute Client transactions. Barington utilizes unaffiliated broker-dealers to place execution orders with respect to all transactions for its Clients.

Barington recognizes its duty to obtain “best execution” for its advisory Clients, and portfolio transactions are executed by broker-dealers selected by Barington on the basis of their ability to effect prompt and efficient execution at competitive rates. In selecting brokers and negotiating commission rates, Barington takes into account, among other things, the financial stability and reputation of brokerage firms, their execution capacity and responsiveness, their commitment to maintaining the confidentiality of Barington’s trading programs, and the research, trading services, brokerage or other services provided by such brokers. While Barington does not select brokers solely on the basis of commission rates and as a result may not necessarily pay the lowest commissions, Barington believes that the broker-dealers it utilizes to execute transactions provide competitive executions at favorable transaction costs for Clients.

Barington may place transactions with a broker-dealer that (i) provides Barington with the opportunity to participate in capital introduction events sponsored by the broker-dealer or (ii) refers Investors to the Fund or other products advised by Barington, if otherwise consistent with seeking best execution; provided Barington is not selecting the broker-dealer in recognition of the opportunity to participate in such capital introduction events or the referral of Investors. While Barington has not done so to date, it may also select a broker-dealer in consideration of such parties’ provision or payment of brokerage or research services (i.e. “soft dollars”). If and when Barington begins using soft dollar products or services, it will adopt and disclose policies and procedures related to such activity.

Barington does not permit any Client or Investor to direct brokerage arrangements. It may, however, permit a Co-Investor to reject a broker-dealer selected by Barington that is not “reasonably acceptable” (or words of similar import) to the Co-Investor in instances where the parties have agreed that a broker-dealer identified by Barington is to execute securities transactions on a Co-Investors behalf pursuant to a delivery versus payment (DVP) or similar arrangement if the Co-Investor elects to invest in an Investment Opportunity presented to it for investment by Barington.

B. Order Aggregation.

Barington typically aggregates purchase and sale transactions and allocates investment opportunities among the Fund and other Clients on an equitable basis by applying such considerations as it deems appropriate, including relative size of such entities, amount of available capital, size of existing positions in the same or similar securities and other factors. Although such allocations are virtually always made on a *pro rata* basis, they will not necessarily be so.

For example, in the event that that the discretionary Managed Account was participating in an Investment Opportunity with the Fund, a broker-dealer selected by Barington would purchase and sell all securities and other interests in the Investment Opportunity on behalf of the Managed Account and the Fund, and all such securities and other interests purchased or sold by the broker-dealer would be allocated among the two parties on a pro rata basis (or in accordance with such other investment allocation established by Barington acting in good faith).

In instances where an Investment Opportunity has been presented to a number of Barington's Clients, a discretionary Client (such as the Fund or the Managed Account) may potentially begin purchasing a security before a non-discretionary Client, if the non-discretionary Client delays providing its consent to participate in the opportunity. Once a non-discretionary Client agrees to invest in an Investment Opportunity, it will participate in future transactions. Barington may also elect to purchase an initial position in a security for the Fund before the Investment Opportunity is considered for, or presented to, other Clients. *See Item 6.*

ITEM 13

REVIEW OF ACCOUNTS

With respect to the Fund, the Principal Owner reviews the Fund's investments on a daily basis and monitors the Fund's portfolio in connection with its investment objectives.

Investors in the Fund receive capital account statements from the Fund's independent administrator on a monthly basis, as well as a written monthly report from Barington documenting the unaudited monthly performance of the Fund along with brief commentary. Barington also provides a written year-end letter to Investors in the Fund, as well as annual audited financial statements within 120 days of the Fund's fiscal year end.

With respect to the Company and the Co-Investors, the Principal Owner will review and approve all recommendations made by the Adviser of companies that may be appropriate for investment or acquisition by such Clients. The investment advisory services provided by the Adviser to these Clients are non-discretionary, therefore the Adviser will not be managing or reviewing their investment accounts or providing them with any regular reports with respect to such investment accounts. The Principal Owner reviews on an ongoing basis the status of any investments made by non-discretionary Clients that were recommended by the Adviser, and may provide these Clients with reports or information with respect to such investments.

With respect to the Managed Account, the Principal Owner reviews the Managed Account's investments on a routine basis and monitors the Managed Account's portfolio in connection with its investment objectives. The owner of the Managed Account has not requested the Adviser to provide written reports or to arrange for it to receive capital account statements from an independent administrator.

ITEM 14
CLIENT REFERRALS AND OTHER COMPENSATION

Barington does not receive an economic benefit from non-clients for providing investment advice or other advisory services.

The Adviser has entered into an agreement with three unaffiliated parties to engage them to act as placement agents for the Fund (collectively, the “Placement Agents”). Pursuant to such agreements, the Adviser has agreed to compensate the Placement Agents for client referrals and placement of the Fund with new investors by paying a negotiated fee to the Placement Agents equal to a percentage of the management and performance fees received by Barington with respect to Clients or Fund Investors referred by the Placement Agent. The Placement Agents therefore have a financial incentive to recommend the Adviser’s services. All such compensation arrangements are conducted in accordance with the amended rule 206(4)-1 under the Investment Advisers Act (the “Marketing Rule”), and no Client or Investor pays a higher fee as a result of being referred by a Placement Agent.

ITEM 15

CUSTODY

Barington maintains the assets of the Fund with a “qualified custodian” pursuant to Rule 206(4)-2 under the Advisers Act. However, Barington is deemed to have custody of the assets of the Investors in the Fund because, as the general partner of the Fund, it has the authority to deduct advisory fees and expenses from the Fund.

Barington is subject to Rule 206(4)-2 under the Advisers Act (the "Custody Rule") with respect to the Fund. Barington complies with the Custody Rule by having the Fund audited at least annually by an independent public accountant that is registered with, and subject to regular inspection by, the Public Company Accounting Oversight Board, and distributing a copy of the Fund’s audited financial statements to all Fund Investors within 120 days of the end of the Fund’s fiscal year.

Barington does not have custody of the assets of any other Client other than the Fund. Clients other than the Fund are responsible for making their own custody arrangements.

ITEM 16

INVESTMENT DISCRETION

With respect to the Fund and the Managed Account, Barington has discretionary authority to manage the accounts of these Clients, and is authorized to make purchase and sale decisions for them, subject to their respective investment objectives and guidelines as set forth in their respective offering documents or investment management agreement. Barington has entered into subscription agreements with each Investor in the Fund and an Investment Management Agreement with the owner of the Managed Account pursuant to which Barington has been granted discretionary authority. As explained in Item 4C above, individual Investors in the Fund do not have the ability to impose limitations on Barington's discretionary authority.

Barington does not have discretionary authority to manage the securities accounts of the Co-Investors or the Company. Barington may be given authority, however, to direct the execution of security transactions on behalf of a non-discretionary Client such as Co-Investor pursuant to a delivery versus payment (DVP) or similar arrangement between Barington's broker-dealer and the non-discretionary Client's broker-dealer in instances where the Non-discretionary Client has elected to invest in an Investment Opportunity presented to it for investment by Barington. *See Item 4B.*

ITEM 17

VOTING CLIENT SECURITIES

Barington has adopted proxy voting policies and procedures (the “Proxy Voting Policy”) to address how it will vote proxies for its discretionary Clients where it has been given voting authority (unless, in the case of the Managed Account, the Client decides to vote such shares itself). The Proxy Voting Policy is designed to ensure that Barington complies with the requirements under SEC Rule 206(4)-6 and SEC Rule 204-2 adopted under the Advisers Act, and fulfills its obligation thereunder with respect to proxy voting, disclosure and recordkeeping.

Barington believes that the voting of proxies is an important part of portfolio management for its Clients as it provides the Client the opportunity to be heard and influence the direction of a company. Barington is committed to voting proxies in a manner consistent with the best interests of its Clients without undue influence from individuals or groups who may have any economic interest in the outcome of a proxy vote. Recognizing that the activist investment strategies of Barington’s Clients require careful analysis of all matters subject to shareholder vote, it is Barington’s policy to vote proxies of public and private operating companies on a case-by-case basis in accordance with the strategic goals of the investment as determined by Barington in its sole discretion. Proxy proposals received by Barington will be thoroughly reviewed by a proxy voting committee, which will document the basis for its voting decisions.

In certain circumstances Barington may elect not to vote proxies, such as (i) where Barington believes that not voting the proxy is in accordance with the strategic goals of the investment, (ii) where Barington deems the cost of voting would exceed any anticipated benefit to the Client, (iii) where the proxy is received for a Client account that has been terminated, or (iv) where a proxy is received for a security Barington no longer manages on behalf of a Client.

Barington and/or its employees may occasionally be subject to conflicts of interest in the voting of proxies due to business or personal relationships with persons having an interest in the outcome of certain votes, or with the proponents of proxy proposals, participants in proxy contests, corporate directors and officers, or candidates for directorships.

In the case of a potential or actual conflict of interest relating to a particular proxy proposal, the Client will be notified and Barington will cause the proxy to be voted in accordance with the Client’s instructions. In the case of the Fund, the proxy voting committee will carefully consider the conflict of interest prior to deciding how the proxy proposal should be voted and may determine that a member of the proxy voting committee who has the conflict be recused from the deliberations as to how to vote a proxy on a case-by-case basis.

Clients and Investors may obtain a copy of the Proxy Voting Policy and information regarding how Barington voted their securities upon written request to Barington.

ITEM 18
FINANCIAL INFORMATION

Barington does not require or solicit prepayment of more than \$1,200 in fees per Client, six months or more in advance, is not aware of any financial condition reasonably likely to impair its ability to meet contractual commitments to Clients, and has not been the subject of a bankruptcy petition at any time during the past ten years.