

Ararat Capital Management LP

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This “**Brochure**” provides information about the qualifications and business practices of Ararat Capital Management LP (hereinafter “**Ararat**,” “**we**,” “**us**,” “**our**” or the “**Firm**”). If you have any questions about the contents of this Brochure, please contact our Chief Compliance Officer (“**CCO**”), Richard Peck, by email at rpeck@araratcapital.com. Information in this Brochure has not been approved or verified by the U.S. Securities and Exchange Commission (the “**SEC**”) or by any state securities authority.

Ararat is a Registered Investment Adviser with the SEC. Registration as an investment adviser does not imply that Ararat or any of its principals or employees possesses a particular level of skill or training in the investment advisory business or any other business.

Additional information about Ararat is also available on the SEC's website at www.adviserinfo.sec.gov.

Item 2: Material Changes

There have been no material changes since the last filing of Form ADV in March 2023. In the future, if our Brochure, as amended, contains material changes from our last update, we will identify and discuss those changes in this section.

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Item 4: Advisory Business

Ararat Capital Management LP (hereinafter “**Ararat**,” “**we**,” “**us**,” “**our**” or the “**Firm**”) is organized as a Delaware limited partnership. Ararat was formed on December 1, 2015 and maintains a principal place of business in Westport, Connecticut. Ararat Capital Management GP, LLC, a Delaware limited liability corporation, serves as general partner of the Firm (the “**General Partner**”). Ararat and the General Partner are each principally owned by Raffi Tokatlian (the “**Principal**”).

Ararat provides discretionary investment management services to qualified investors through its private funds: Narrow River Capital Partners Master Fund, L.P.; Narrow River Capital Partners, LP and Narrow River Capital Partners, LTD.

We serve as the investment adviser, with discretionary trading authority, to private, pooled investment vehicles, the securities of which are offered through a private placement memorandum to accredited investors, as defined under the Securities Act of 1933, as amended, and qualified purchasers, as defined under the Investment Company Act of 1940, as amended. We do not tailor our advisory services to the individual needs of any particular investor. Ararat also provides discretionary investment advice to a separately managed account (the “**Managed Account**”).

Ararat manages the following private, pooled investment vehicles:

- Narrow River Capital Partners Master Fund, L.P., a Cayman Islands exempted limited partnership (the “**Master Fund**”);
- Narrow River Capital Partners, LP, a Delaware limited partnership (the “**Onshore Fund**”); and
- Narrow River Capital Partners, LTD., a Cayman Islands exempted company (the “**Offshore Fund**”).

The Onshore Fund and the Offshore Fund are collectively referred to as the “**Feeder Funds**.”

The Master Fund, the Onshore Fund and the Offshore Fund are herein each referred to as a “**Fund**” or “**Client**,” and collectively referred to as the “**Funds**” or the “**Clients**.”

The Onshore Fund’s “**Limited Partners**” and the Offshore Fund’s “**Shareholders**” are hereafter collectively referred to as the “**Investors**” where appropriate.

Our investment decisions and advice with respect to the Funds are subject to each Fund’s investment objectives and guidelines, as set forth in its respective “**Offering Documents**.”

The Firm has entered into and may enter into “side letters” or similar agreements with certain investors that may waive or modify the application of, or grant special or more favorable rights with respect to the Offering Documents to the extent permitted by applicable law.

We do not currently participate in any Wrap Fee Programs.

As of December 31, 2023, we have \$653,177,406 regulatory assets under management.

Item 5: Fees and Compensation

The fees applicable to each of the Funds are set forth in detail in each Client's corresponding Offering Documents. Any fees, expenses and incentive allocation with respect to the Managed Account are set forth in the Managed Account's advisory agreement with Ararat. A brief summary of such fees is provided below.

Management Fee

Ararat is paid an investment management fee ("**Management Fee**") on a percentage of the net asset value of the Funds as set forth in the applicable Offering Documents. The Management Fee is normally charged on the first day of each month and is paid in advance based on each Fund's net asset value on the first day of such month.

The Management Fee will range from 1.25% to 1.75% per annum.

Ararat, in its sole discretion, may reduce, waive, assign, participate or otherwise share the Management Fee payable with respect to any Investor (including the General Partner and any affiliates) without the consent of, or notice to, any other Investor.

Other Types of Fees or Expenses

Ararat is authorized to incur and pay in the name and on behalf of the Funds all expenses which they deem necessary or advisable.

The Firm is responsible for all ordinary overhead expenses, including rent, furniture, fixtures, equipment, office supplies, computer equipment, clerical expenses and all salaries, bonuses and benefits paid to, or on behalf of, analytical and support personnel. The Funds do not have their own separate employees or offices, and do not reimburse the General Partner or Ararat for salaries or office rent.

Organizational Expenses

The Feeder Funds will bear all of their organizational expenses and offering expenses and will each bear a pro rata share of the organizational and offering expenses of the Master Fund, up to a maximum as set forth in the Offering Documents, and will reimburse the General Partner and/or the Firm, as applicable, to the extent that either of them bears organizational or offering expenses on behalf of the Funds. Organizational and offering expenses in excess of such amount will be borne by Ararat.

Operating Expenses

The Feeder Funds will bear all of their expenses relating to its ongoing structure and operation, including, without limitation, all costs and expenses relating to the Feeder Funds' (and the Feeder Funds' pro rata share of the Master Fund's) activities and operations (to the extent not reimbursed in connection with an investment), including, without limitation, all fees, costs and expenses associated (directly or indirectly) with the negotiation, financing, sourcing, acquiring, holding, monitoring, hedging, settling and disposing of investments or proposed investments; other transaction costs, including, without limitation, transaction fees, custodial fees, brokerage fees, commissions, consulting, advisory, due diligence, investment banking, legal, financial, auditing, accounting, research, third-party consulting and other professional

fees and expenses related to investments and proposed investments, as well as all fees, expenses, interest payments and principal payments due to any lenders, investment banks and/or other financing sources in connection with the financing, sourcing, acquiring, holding, monitoring, hedging and disposing of investments or proposed investments; custodial fees, appraisal fees and expenses; all investment-related travel expenses and travel expenses related to the purchase, sale or transmittal of Feeder Fund and/or Master Fund assets; all entity-level taxes, fees and other governmental charges (including any withholding not due to the status or non-compliance by any particular Investor); the costs of any insurance (including, without limitation, general partner liability insurance, errors and omissions insurance, directors and officers insurance, if any, and other insurance policies with respect to the Feeder Funds' business and affairs); directors' fees; expenses incurred in the collection of monies owed to the Feeder Funds (or to the Master Fund, as applicable); Management Fees; expenses related to mixed-use hardware and software and other technology and services; legal, regulatory, compliance, auditing, research and accounting fees and expenses (including, without limitation, fees and expenses of any administrator of the Funds (including the Administrator, as defined within the Offering Documents)); expenses associated with the preparation and delivery of financial statements and tax returns, if any; extraordinary expenses (including, without limitation, litigation related and indemnification expenses, whether payable in connection with a proceeding involving the Funds or otherwise, and including the amount of any judgment or settlement paid in connection therewith); the costs of any reporting to Investors; reasonable expenses incurred in connection with any meetings of Investors and reasonable expenses of the members and meetings of any committee of the Funds; any "broken deal" or failed transaction expenses; expenses incurred in connection with the dissolution, liquidation and termination of the Funds; and expenses incurred in connection with the preparation of amendments to the Offering Documents.

From time to time, the General Partner, the Firm and/or their affiliates may elect to bear certain expenses on behalf of the Funds that would otherwise be Fund expenses. The General Partner, the Firm and/or their affiliates will not have any obligation to bear such expenses and may elect at any time (in whole or in part) to no longer bear such expenses on behalf of the Funds.

In general, each Investor will bear its proportionate share of the expenses of the Funds on a pro rata basis with respect to the size of its Capital Account (for the Onshore Fund) or value of its Shareholder Shares (for the Offshore Fund). The General Partner may, however, allocate expenses on another basis, including by allocating certain expenses to certain (but not all) Investors, if the General Partner determines that such an allocation is more equitable.

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

We and our affiliates are entitled to a performance-based compensation. As a result, we and our affiliates do not face certain conflicts of interest that may arise when an investment adviser accepts performance-based fees from some Clients, but not from other Clients.

Generally, the General Partner is entitled to an annual incentive allocation of twenty percent (20%) of the new realized and unrealized income and gains allocated to the interests of the class of shares in the Funds (the "**Incentive Allocation**"). The Incentive Allocation will be subject to a high watermark and will be determined with respect to any fiscal year as of the close of business on the last business day of the fiscal year.

The General Partner shall have the right to reduce, waive, assign, grant participation in or otherwise share the Incentive Allocation allocable with respect to any Investor (including any affiliates of the General Partner) without the consent of, or notice to, any other Investor.

Performance-based allocation arrangements may create an incentive for us to recommend investments which may be riskier or more speculative than those which we would recommend under a different arrangement.

Item 7: Types of Clients

Our clients are the Funds, as described in Item 4 above, and the Funds are generally open to, among others, institutions, pension plans, endowments, high net-worth individuals, financially sophisticated individuals, and other sophisticated investors.

Investors will generally be required to make a minimum initial investment of \$5,000,000. Notwithstanding the foregoing, the Funds may waive such minimum or otherwise accept subscriptions in lesser amounts. Interests will be offered and sold exclusively to Investors satisfying the applicable eligibility and suitability requirements to comply with applicable federal securities laws and regulations.

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

The descriptions set forth in this Brochure of specific advisory services that we offer to Clients, investment strategies pursued and investments made by us on behalf of our Clients, should not be understood to limit in any way our investment activities. We may offer any advisory services, engage in any investment strategy and make any investment, including any not described in this Brochure, that we consider appropriate, subject to each Client's investment objectives and guidelines as set forth in the Offering Documents.

Investment Objective

The Funds employ a long/short equity investment strategy. The Funds seek to compound capital at a positive absolute rate of return measured over multi-year periods, irrespective of market conditions. In order to achieve this goal, the Funds opportunistically enter into long and short positions in equity securities of companies across sectors and geographies, purchase securities on margin, enter into over-the-counter derivatives, including, without limitation, equity derivatives or foreign exchange hedges. There is a particular emphasis on companies of small- to medium-sized market capitalization. The Master Fund's portfolio is comprised of core investment positions which are managed dynamically through an analytically influenced process.

The Master Fund's portfolio is expected to include (i) long positions in securities of companies where the Firm believes it has identified a fundamental value driver for capital appreciation; and (ii) short positions in securities of companies where the Firm believes there are one or more fundamental drivers for business deterioration or performance below expectations.

The investment strategies described herein are those that the Firm typically employs on behalf of the Funds. However, there are no limitations on the investment strategies that the Funds may employ or types of assets in which they may invest, and the Firm may adjust the strategy

that it pursues or the asset classes in which the Funds invest opportunistically to respond to, or to take advantage of, changing market conditions and new investment opportunities.

Risk Management

The Funds' investment program is speculative and entails substantial risks. There can be no assurance that the investment objectives of the Funds will be achieved or that the Funds will be profitable, and results may vary substantially over time. The Firm will focus on managing risk through the quality of its investment process and monitoring of investments.

Risk of Loss Factors

An investment involves significant risks and is suitable only for those persons who can bear the economic risk of the loss of their entire investment, who have limited need for liquidity in their investment, and who have met the conditions set forth in the Offering Documents. There can be no assurances that we will achieve our investment objectives. An investment carries with it the inherent risks associated with investments in publicly traded stocks and bonds, options, and related instruments, including, without limitation, the risks described below. Each prospective investor should carefully review the Offering Documents and the documents referred to herein before deciding to invest with Ararat.

The following risk factors do not purport to be a complete list or explanation of the risks involved in an investment in the clients advised by us. These risk factors include only those risks we believe to be material, significant or unusual and relate to particular significant investment strategies or methods of analysis employed by us.

Market Risk

All securities investments risk the loss of capital. No guarantee or representation is made that the Funds will achieve their investment objective or that investors will not lose all or substantially all of their investment in the Funds.

Market risk is a factor in any investment and the success of the Funds' activities will be affected by general economic and market conditions, such as interest rates, availability of credit, inflation rates, economic uncertainty, changes in laws (including laws relating to taxation of the Funds' investments), tax considerations and tax treatment, trade barriers, currency exchange controls and national and international political circumstances (including wars, terrorist acts and security operations). These factors may affect the level and volatility of the prices and liquidity of the Funds' investments and could impair the Funds' profitability or result in losses. Ararat may consider some or all of these factors when making trading decisions. The Funds could incur material losses even if Ararat reacts quickly to difficult market conditions, and there can be no assurance that the Funds will not suffer material losses and other adverse effects from broad and rapid changes in market conditions in the future. Investors should realize that markets for the financial instruments in which the Funds will seek to invest can correlate strongly with each other at times or in ways that are difficult for the Firm to predict. Even a well-analyzed approach may not protect the Funds from significant losses under certain market conditions.

Special Situation Investments

The Funds may invest in companies involved in, or the target of, acquisition attempts or tender offers or in companies involved in or undergoing workouts, liquidations, spin-offs,

reorganizations, bankruptcies or other catalytic changes or similar transactions. In any investment opportunity involving any such type of special situation, there exists the risk that the contemplated transaction 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 Funds 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, a Fund may be required to sell its investment at a loss. Because there is substantial uncertainty concerning the outcome of the transactions involving financially troubled companies in which a Fund may invest, there is a potential risk of loss by a Fund of its entire investment in such companies.

Use of Leverage

The Funds may employ leverage in connection with its investment strategies and/or for any other purpose deemed necessary, desirable or appropriate by the Firm and/or the General Partner from time to time. The use of leverage increases both the possibility for gain and the risk of loss. Loans typically will be secured by the Funds' securities and other assets. Under certain circumstances, a lender may demand an increase in the collateral that secures such obligations, and if a Fund is unable to provide additional collateral, the lender could liquidate assets held in the account to satisfy such obligations. Liquidation in that manner could have extremely adverse consequences. In addition, the amount of a Fund's borrowing and the interest rates on that borrowing, both of which will fluctuate, may have an effect on a Fund's profitability.

Options

The Funds may engage in the trading of options when appropriate. Such trading involves risks substantially similar to those involved in trading margined securities in that options are speculative and highly leveraged. Specific market movements of the securities underlying an option cannot accurately be predicted. The purchaser of an option is subject to the risk of losing the entire purchase price of the option. The writer of an option is subject to the risk of loss resulting from the difference between the premium received for the option and the price of the security underlying the option which the writer must purchase or deliver upon exercise of the option.

Derivatives

The Funds may invest in derivative financial instruments. In addition, the Funds may, from time to time, utilize both exchange-traded and over-the counter futures, options and contracts for differences, for hedging purposes, as well as other derivatives. Regulatory restraints may restrict the instruments that the Funds may trade. Such derivative instruments are highly volatile, involve certain special risks and expose investors to a high risk of loss. The low initial margin deposits normally required to establish a position in such instruments permit a high degree of leverage. As a result, a relatively small movement in the price of a contract may result in a gain or a loss which is high in proportion to the amount of funds actually placed as initial margin, and may result in unquantifiable further losses exceeding any margin deposited. Further, when used for hedging purposes, there may be an imperfect correlation between these instruments and the investments or market sectors being hedged.

Risks of Foreign Investments

The Funds may invest in securities of foreign companies, governments and government agencies. Investing in such securities, which are generally denominated in foreign currencies, and the use of forward foreign currency exchange contracts, involves unusual risk not typically associated with investing in securities issued by U.S. companies or by the U.S. government or its agencies or instrumentalities. The Funds may be affected favorably or unfavorably by exchange control regulations or changes in the exchange rate between such currencies and the U.S. dollar. Moreover, individual foreign economies may compare unfavorably with the U.S. economy in growth of gross national product, rate of inflation, rate of savings and capital reinvestment, resource self-sufficiency, balance-of-payment positions and in other respects. Some of the countries in which the Funds may invest have laws and regulations that currently preclude or severely restrict direct foreign investment in securities of their companies. Securities of some foreign companies are less liquid and their prices are more volatile than securities of comparable U.S. companies. Investing in foreign securities creates a greater risk of securities clearance and settlement problems. Further, some of the securities in which the Funds may invest may be thinly traded and relatively illiquid or may cease to be traded after the Funds invest in them. In addition to being illiquid, such securities may be issued by unseasoned companies and may be highly speculative. In addition, the Funds occasionally may acquire relatively large positions in a few securities. In such cases, and in the event of extreme market activity, the Funds may not be able to liquidate investments promptly, if the need should arise, which could materially and adversely affect the results of such investments.

Hedging Transactions

The Funds may engage in a variety of hedging transactions, including derivatives, options and swaps. Hedges can be more difficult to implement than many other types of transactions, and the possibilities for errors may be greater than for other transactions. Additionally, there is no guarantee that these hedging transactions will prevent losses to the Funds. The success of a Fund's hedging strategy will be subject to the Firm'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 investments in the portfolio being hedged. Since the characteristics of many securities change as markets change or time passes, the success of a Fund's hedging strategy will also be subject to the Firm's ability to continually recalculate, readjust, and execute hedges in an efficient and timely manner. In addition, hedging transactions may result in poorer overall performance for the Funds than if no such hedging transactions were executed. Moreover, the Firm may determine not to hedge against, or may not anticipate, certain risks. Finally, the Funds may be exposed to certain risks that cannot be hedged, such as credit risk (relating both to particular investments and counterparties).

Equity Securities

The Funds will invest in equity and equity-related securities, including, without limitation, equity investments acquired in connection with restructured debt securities or instruments, or in connection with reorganizations and/or restructurings of debt securities, equity securities or other obligations and assets of undervalued, operationally challenged and/or financially troubled companies or institutions. Equity securities fluctuate in value in response to many factors, including the activities and financial condition of individual companies, the business market in which individual companies compete, industry market conditions, interest rates and general economic environments.

Short Sales

The Funds will engage in short selling. Short selling involves selling securities that may or may not be owned by the seller and borrowing the same securities for delivery to the purchaser, with an obligation to replace the borrowed securities at a later date. Short selling allows the investor to profit from declines in the value of securities. However, such practice can, in certain circumstances, substantially increase the impact of adverse price movements on a Fund's portfolio. A short sale of a debt instrument, such as a bond, involves the theoretical risk of an increase in the market price plus accrued interest. A short sale of equity securities involves the theoretical risk of an unlimited increase in the market price of the securities sold short. Moreover, short selling is limited to securities that can be borrowed, and it may be necessary to cover short positions at an undesirable time and at undesirable prices if the lender recalls the securities or the securities can no longer be borrowed.

Small and Medium Capitalization Companies

The Funds expect to place particular emphasis on investing in the equity and other securities of companies with small to medium-sized market capitalizations. While such companies may provide significant potential for appreciation, such investments, particularly small-capitalization securities, involve higher risks in some respects than do investments in securities of larger companies. The prices of small capitalization and even medium capitalization securities are often more volatile than prices of large capitalization securities and the risk of bankruptcy or insolvency of many smaller companies (with the attendant losses to long investors) is higher than for larger, "blue-chip" companies. In addition, due to thin trading in some medium or small-capitalization securities, an investment in those securities may be illiquid. The small- to medium-sized market capitalization securities may, at times, significantly underperform the large capitalization securities and may do so in the future. A related concern for short sale risk is that smaller companies tend to be more readily acquired.

Cybersecurity Breaches and Identity Theft

The information and technology systems of the General Partner, Ararat, the Funds, their affiliates and their service providers and portfolio companies may be vulnerable to damage or interruption from computer viruses, network failures, computer and telecommunication failures, infiltration by unauthorized persons, other security breaches and/or usage errors by their respective professionals. Although the General Partner, Ararat and/or their affiliates have implemented various measures to manage risks relating to these types of events, if these systems are compromised, become inoperable for extended periods of time or cease to function properly, the General Partner, Ararat, the Funds, their affiliates, their service providers and/or their portfolio companies may have to make a significant investment to fix or replace them.

The failure of these systems for any reason could cause significant interruptions in such parties' operations and result in a failure to maintain the security, confidentiality or privacy of sensitive data, including personal information relating to Investors (and the beneficial owners of Investors). Such a failure could harm the reputation of the General Partner, Ararat, the Funds, their affiliates, their service providers and/or their portfolio companies, subject any such entity and their respective affiliates to legal claims and/or otherwise affect their business and financial performance. Specifically, cyberattacks and the failure of information and technology systems may interfere with the processing of Client subscriptions or redemptions, impact a Fund's ability to value its assets, cause the release of confidential information and/or

subject the General Partner, Ararat, Funds and/or their affiliates to regulatory fines, penalties or financial losses, reimbursement or other compensation costs, and/or additional compliance costs. Such parties also may incur substantial costs for cyber- security risk management to prevent any cyber incidents in the future. The Funds and/or the Investors could be negatively impacted as a result.

Lack of Liquidity; Limitations on Redemptions

Voluntary redemptions by the Investors are limited and may be made only at specified times or in connection with a Trigger Event as described within the Offering Documents. The Funds may find it necessary to establish one or more reserves (in connection with an illiquid investment) for contingent liabilities, such as in connection with pending litigation, by withholding a certain portion of the amount payable in connection with the redemption until resolution of such contingencies. In addition, the Funds may elect to make a distribution in-kind by distributing securities to a redeeming Investor. There can be no assurances that an Investor will be able to sell the securities received for the amount at which the securities were valued for purposes of the redemption. The risk of a decline in the value of such securities in the period from the relevant redemption date to the date upon which such securities are distributed to the redeeming Investor, and the risk of any loss or delay in liquidating such securities, will be borne by the redeeming Investor. The Funds also may require that any Investor redeem all or a portion of its shares. Distributions, other than permitted redemptions, are solely at the discretion of the Funds. It is the intention of the Funds to accumulate capital and not to make any discretionary distributions (including dividends) to Investors other than with respect to redemptions. The General Partner shall have the right to make redemptions from time to time, including, without limitation, redemptions to pay taxes on gains or income generated by Fund results.

Side Letters

The Funds and/or the Firm, without notice to or consent from existing or prospective Investors, may enter into side letters or similar separate agreements with one or more Investors that may alter the terms and conditions described herein solely with respect to the parties to such side letters or similar separate agreements (including, without limitation, with respect to the Management Fee, the Incentive Allocation, transfers, notices, and reporting and disclosure).

Novel Coronavirus and Public Health Emergency; Other Catastrophic Risks

The extent of the impact of the ongoing outbreak of a novel and highly contagious form of coronavirus (“**COVID-19**”) on the Funds’ and portfolio companies’ operational and financial performance will depend on many factors, including the duration and scope of the resulting public health emergency, the extent of any related restrictions implemented, the impact of such public health emergency on overall supply and demand, goods and services, investor liquidity, consumer confidence and levels of economic activity, and the extent of its disruption to important global, regional and local supply chains and economic markets, all of which are highly uncertain and cannot be predicted. The effects of the COVID-19 pandemic may materially and adversely impact the value, performance and liquidity of the Funds or portfolio companies, leverage availability and terms, the Firm’s ability to source, manage and divest investments and the Firm’s ability to achieve its investment objectives, all of which could result in significant losses to the Funds and their Investors. To the extent that any such event occurs and has a material effect on global financial markets or specific markets in which the Funds participate (or has a material effect on any Master Fund portfolio companies or

locations in which such portfolio companies or the Firm operates or on any of their respective personnel) the risks of loss could be substantial and could have a material adverse effect on the Funds or the ability of the Firm to fulfill its investment objectives.

Reliance on Ararat

Ararat has exclusive responsibility for the Funds' trading and investment activities. The quality of the investment advice provided by the Firm is highly dependent upon the skills, judgment and expertise of the Principal. The loss of the services of the Principal or any other member of Ararat could adversely affect the Firm's ability to trade effectively. Although the Principal intends to devote substantial time to the business of the Funds, he may also engage in other business activities that may limit his time devoted to the business of the Funds.

Master-Feeder Structure

Both the Feeder Funds expect to invest all or substantially all of their investable assets through a "master-feeder" structure in the Master Fund. Although a common investment fund structure, the "master-feeder" fund structure presents certain unique risks to Investors. For example, a smaller feeder fund investing in the Master Fund may be materially affected by the actions of a larger feeder fund investing in the Master Fund. If a larger feeder fund redeems from the Master Fund, the remaining feeder fund may experience higher pro rata operating expenses, thereby producing lower returns. The Master Fund may become less diverse due to a redemption by a larger feeder fund, resulting in increased portfolio risk. Expenses or liabilities of the Master Fund arising from any legal proceedings by or against the Master Fund would be borne by the Master Fund, and creditors of the Master Fund may enforce claims against all assets of the Master Fund.

Management of Other Accounts

Ararat, the Principal, the General Partner or their affiliates currently, and in the future expect to, manage assets for other individuals or entities, either directly through managed accounts or indirectly through other Fund clients.

As of the time of this annual amendment, Ararat manages a Managed Account intended generally to invest *pari passu* with the Master Fund. Although the redemption terms with respect to such Managed Account generally are the same as those of the Funds, in the event that a Managed Account Investor were to exercise their withdrawal or redemption rights ahead of Fund Investors, and the size of such withdrawal or redemption constitutes a significant portion of Ararat's assets under management that utilize the same investment strategy as the Funds, such withdrawal could cause a temporary or long-term decline in the net asset value of the Funds because the sale of a significant number of securities in a short period of time may result in the decline (which may be substantial) in the price of such securities, particularly in times of broad market dislocations when there is a greater likelihood of a financial impact. In addition, in extraordinary circumstances, Ararat may suspend Investor withdrawals and redemptions but not have the right to do so with respect to other Clients, including with respect to the current Managed Account. This could result in some Clients receiving the proceeds of their investment before the Investors are able to withdraw or redeem.

Further, Ararat, the Principal and the General Partner may pursue and execute trades in the same or different securities on behalf of one or more Clients at different times, which likely will result in different performance results among the Funds and other Clients.

Ararat may in the future manage other investment funds and/or managed accounts with similar or dissimilar investment strategies as those of the Funds, creating the potential for conflicts of interest between the Funds and these other investment vehicles, funds and managed accounts, including with respect to the allocation of investment opportunities and management time, services and functions. Ararat and the General Partner undertake to provide their services in a manner that is consistent with their fiduciary duties to the Funds and such other Clients.

No Protection under the Investment Company Act

In reliance upon a statutory exemption for privately offered investment companies, the Funds have not registered as an investment company under the Investment Company Act or the laws of any country or jurisdiction. Therefore, the protections afforded by the Investment Company Act to investors in registered investment companies will not be available to the Investors. Among other things, the Investment Company Act generally requires registered investment companies to have a majority of disinterested directors, requires securities held in custody to be segregated by ownership at all times and to be marked clearly as the property of such investment company and regulates the relationship between the adviser and the investment company.

Item 9: Disciplinary Information

There are no legal or disciplinary events that are material to an Investor's or prospective Investor's evaluation of our advisory business or the integrity of our management.

Item 10: Other Financial Industry Activities and Affiliations

Neither we nor our management persons are registered as broker-dealers or has any application pending to register with the SEC as a broker-dealer or registered representative of a broker-dealer, respectively.

Ararat's General Partner meets the definition of an exempt commodity pool operator ("**CPO**") with the U.S. Commodity Futures Trading Commission ("**CFTC**"). The Firm or the Fund General Partner, as applicable, will file for CFTC Rule 4.13(a)(3) exemptions for each of the Funds. Pursuant to an applicable exemption, Ararat is also exempt from registration with the CFTC as a commodity trading advisor ("**CTA**").

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

Code of Ethics

Ararat has adopted a "**Code of Ethics**" that establishes the high standard of conduct that we expect of our employees and procedures regarding our employees' personal trading of securities. Our employees are required to certify their adherence to the terms set forth in the

Code of Ethics upon commencement of employment and annually thereafter. Employees also are required to provide quarterly certifications of compliance with certain Code of Ethics provisions.

The foundation of our Code of Ethics is based upon the following underlying fiduciary principles:

- Employees must at all times place the interests of the Clients and Investors first;
- Employees must ensure that all personal securities transactions are conducted consistent with the Code of Ethics' Employee Personal Investment Policy (described below); and
- Employees should not take inappropriate advantage of their position at the Firm.

Personal Trading

Employees are not permitted to maintain personal brokerage accounts for the purpose of trading "**Reportable Securities**" (as defined in the Code of Ethics, and which includes a wide variety of investments such as stocks, bonds, fixed income, options, warrants, futures, and derivatives) except for the purpose of holding or liquidating any such holdings after the commencement of employment. Employees are permitted to liquidate positions held at the time of employment in Reportable Securities (a "**Liquidating Trade**") subject to pre-clearance by the CCO. Employees are prohibited from participating in Initial Public Offerings ("**IPOs**"). Employees are also prohibited from personally, or on behalf of a Client, purchasing or selling securities that appear on the Firm's Restricted List.

Employees must obtain pre-approval from the CCO before (i) engaging in any outside business activities or (ii) making any private investments.

We will provide a copy of our Code of Ethics to our Investors, or any prospective investor, upon request, to be viewed on the premises.

Participation or Interest in Client Transactions

Generally, Ararat will not engage in principal transactions or agency cross transactions.

In the event that Ararat transacts a principal transaction or agency cross transaction, such transaction may be effected only if: (i) doing so is in the relevant Client's best interests; (ii) the Firm makes disclosure to all relevant Clients and obtains their written consent prior to the settlement of the transaction (or, in the case of an agency cross transaction, has obtained a blanket consent from the Client); and (iii) the CCO pre-approves of the transaction in writing.

Item 12: Brokerage Practices

Ararat is authorized to determine the broker-dealer to be used for executing securities transaction for the Funds. In selecting broker-dealers to execute transactions, we do not need to solicit competitive bids and do not have an obligation to seek the lowest available commission cost. It is not our practice to negotiate "execution only" commission rates; therefore, the Funds may be deemed to be paying for research, brokerage or other services provided by the broker which are included in the commission rate.

We also have the authority to select and appoint custodians of the assets of the Funds. The Firm's authority is limited by its own internal policies and procedures and each Fund's investment guidelines.

Best Execution

In selecting an appropriate broker-dealer to effect a Client trade, we seek to obtain "**Best Execution**," meaning generally the execution of a securities transaction for a Client in such a manner that a Client's total costs or proceeds in the transaction are most favorable under the circumstances. Accordingly, in seeking Best Execution, Ararat may consider, among other factors, the ability to achieve prompt and reliable executions; the ability to obtain access to a security; the financial stability and reputation of the particular broker-dealer; the quality, comprehensiveness, frequency of available research and related services considered to be of value to the Funds and the competitiveness of commission rates in comparison with other broker-dealers satisfying the General Partner's and Ararat's other selection criteria.

Neither Ararat nor any related person receives Client referrals from any broker-dealer or third party. However, subject to best execution, we may consider, among other things, capital introduction and marketing assistance with respect to Investors in the Funds in selecting or recommending broker-dealers for the Funds.

The provision by a broker of research and other services and property to us creates an incentive for us to select such broker since we would not have to pay for such research and other services and property as opposed to solely seeking the most favorable execution for a Client. Any research, services or property provided by a broker may benefit any Client and such benefits may not be proportionate to commission dollars related to the provision of such research, services or property.

Soft Dollars

The Firm may use "**Soft Dollars**." In such cases, Soft Dollar credits, generated by the Funds' trading activities, would be used to purchase brokerage and research services or products that would otherwise have been a Fund expense. We intend to keep any such arrangements within the parameters of the safe harbor of Section 28(e) of the Exchange Act.

Item 13: Review of Accounts

Our Portfolio Manager and investment professionals continuously monitor and analyze the transactions, positions and investment levels of the Funds to ensure that they conform with the investment objectives and guidelines that are stated in each Fund's Offering Documents. In these reviews, the Firm pays particular attention to any changes in the investment's fundamentals, overall risk management and changes in the markets that may affect price levels.

Account Reporting

We perform various periodic reviews of each Client's portfolio. Such reviews are conducted by our officers.

We will distribute an audited financial report with respect to the previous fiscal year to all Investors within 120 days of the Funds' fiscal year end. We also may distribute other interim reports to Investors.

Item 14: Client Referrals and Other Compensation

We do not receive economic benefits from non-clients for providing investment advice and other advisory services. Neither we nor any of our related persons, directly or indirectly, compensate any person who is not a supervised person for client referrals.

Item 15: Custody

We will comply with Rule 206(4)-2 of the Investment Advisers Act of 1940, as amended (the "**Advisers Act**") (i.e., the "**custody rule**") by meeting the conditions of the pooled vehicle annual audit approach. Upon completion of the relevant Fund's annual audit by an independent auditor that is registered with, and subject to inspection by, the Public Company Accounting Oversight Board ("**PCAOB**"), we will distribute the Fund's audited financials to Investors within 120 days of such Fund's fiscal year end.

Item 16: Investment Discretion

We will have full discretionary investment authority with respect to the Funds, including authority to make decisions with respect to which securities to be bought and sold, as well as the amount and price of those securities.

Item 17: Voting Client Securities

In compliance with Rule 206(4)-6 of the Advisers Act (i.e., the "**proxy voting rule**"), we have adopted proxy voting policies and procedures. The general policy is to vote all proxy proposals, amendments, consents or resolutions (collectively, "**Proxies**") in a prudent and diligent manner that will serve the applicable Fund's best interests and is in line with the Fund's investment objectives.

We may take into account all relevant factors, as determined by us in our discretion, including, without limitation:

- the impact on the value of the securities or instruments owned by the relevant Client and the returns on those securities;
- the anticipated associated costs and benefits;
- the continued or increased availability of portfolio information; and
- industry and business practices.

Generally, Clients may not direct our vote in a particular solicitation.

Clients may obtain a copy of our Proxy voting policies and our Proxy voting record upon request.

Item 18: Financial Information

We are not required to include a balance sheet for our most recent fiscal year. In addition, we are not aware of any financial condition reasonably likely to impair our ability to meet contractual commitments to Clients and have not been the subject of a bankruptcy petition at any time during the past ten years.