

Part 2A of Form ADV
The Brochure

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This brochure provides information about the qualifications and business practices of SB Value Partners, L.P. If you have any questions in this brochure, please contact us at (844) 728-2583. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission (“SEC”) or by any state securities authority.

SB Value Partners, L.P. is a Registered Investment Advisor. Registration of an Investment Advisor does not imply any level of skill or training. The oral and written communications of an Advisor provide you with information you may use to determine to hire or retain an Advisor.

Additional information about the SB Value Partners, L.P. is also available on the SEC’s website at: www.adviserinfo.sec.gov. The IARD number for SB Value Partners, LP is 139162.

Summary of Material Changes

On July 21, 2010, the U. S. Securities and Exchange Commission (the “SEC”) unanimously adopted changes to Form ADV, Part 2. The new Form ADV, Part 2, also known as the “Brochure”, requires disclosure on distinct topics, and answers must be presented in the order of the items in the form, using the headings in the form. Our goal is to provide you with easy-to-understand “plain English disclosure,” using an easy-to-read format and definite, concrete, everyday words.

Our current Form ADV, Part 2 will be available to our existing and prospective clients 24 hours a day through the SEC’s Investment Advisor Public Disclosure website, www.adviserinfo.sec.gov. Additionally, we will annually and within 120 days of the end our fiscal year, provide you either: (i) a copy of our Form ADV, Part 2 that includes or is accompanied by a summary of material changes; or (ii) a summary of material changes that includes an offer to provide a copy of the current Form ADV, Part 2.

We urge you to carefully review all subsequent summaries of material changes, as they will contain important information about any significant changes to our advisory services, fee structure, business practices, conflicts of interest and disciplinary history.

The material changes in this brochure from the last annual updating amendment of SB Value Partners, LP on March 28, 2018 are described below. Material changes relate to SB Value Partners, LP’s policies, practices or conflicts of interests.

SB Value Partners, LP has updated their fee schedule. (Item 5)

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Advisory Business

SB Value Partners, L.P. is a registered investment adviser with the U.S. Securities and Exchange Commission. SB Value Partners, L.P., a Texas limited partnership (which is also referred to as the “Advisor” or the “General Partner”), is the sole general partner for the following affiliated partnerships (which are referred to as the “Partnerships”) and are discussed throughout this Brochure. The General Partner of SB Value Partners, L.P. is Foxfield Investments, LLC, of which Scott Barnes is President. Barnes Holdings Corporation, LLC (BHC), a company primarily controlled by Scott Barnes, is a limited partner of SB Value Partners, L.P. The General Partner manages the affairs of the Partnerships and has full and exclusive management authority over all investment decisions, asset allocations, dispositions, distributions, and Partnership affairs. Each of the Partnerships has established a minimum initial investment amount, which may be waived at the General Partner’s discretion. As of December 31, 2018, SB Value Partners, L.P. managed total client assets of approximately \$ 620,195,531 with approximately \$70,540,841 on a discretionary basis and \$549,654,690 on a non-discretionary basis.

The various programs offered are described below:

- SAB Moderate Equity Partnership, L.P. (Moderate Equity Program)
- SAB Capital Markets, L.P.
- Separately Managed Accounts
- Trust Acquisition Referral Programs
- Institutional Asset Management

SAB Moderate Equity Partnership, L.P. (Moderate Equity Program)

SAB Moderate Equity Partnership, L.P.'s investment objective is to maximize its annual rate of gain in intrinsic business value, primarily through the ownership of community banks in the United States. The General Partner intends to employ principally a value-oriented investment strategy that stresses long term investment publicly traded common and preferred community bank stocks and bonds, U.S. T-Bills, insured bank deposits and money market accounts. The General Partner may invest in concentrated equity positions in order to maximize potential investment returns. The sale (or purchase) of equity options may be used to hedge (or potentially protect) equity positions, generate additional income or acquire equities at more attractive prices.

SAB Capital Markets, L.P.

The principal investment objective of SAB Capital Markets, L.P. is to maximize its annual rate of gain through the trading of various fixed income municipal securities. The primary strategy for achieving this objective will be the purchase of bonds at the "bid" and sale of bonds at the "offer" in order to profit from the spread between the "bid" and the "offer." The bonds will be held for a short period of time and typically not to maturity. SAB Capital Markets, L.P. also may invest in government and agency debt obligations.

Separately Managed Accounts (Capital Markets Strategy)

The principal investment objective of our Separately Managed Account strategy is to maximize the Account's annual rate of gain through the trading of municipal securities. The primary strategy for achieving this objective will be the purchase of bonds at the "bid" and sale of bonds at the "offer" in order to profit from the spread between the "bid" and the "offer." The bonds will be held for a short period of time and typically not to maturity.

Accounts of Associated Persons or Affiliates may participate in the SMA program, a conflict of interest between SB Value and its clients.

We allocate the bonds we purchase for the SMA's according to our trade allocation policy. This policy has been designed on the basis of fairness and objectivity. In general, the policy gives priority to the accounts with the largest deviation from their target percentage. As a result of the random trade allocation process, not all accounts will hold exactly the same positions. Also, as a result of the random trade allocation process, accounts of all clients, including those of affiliates, will generate different performance returns.

On occasion, circumstances might arise where deviations to the trade allocation policy may occur. These circumstances include, but are not limited to, an account or accounts have reached their investment capacity; an account or accounts have reached the target percentage of invested capital; an account or accounts have reach specific concentration limits. In these circumstances, it may be necessary to allocate bonds to other accounts, which may include

affiliated accounts, that have the available capacity to purchase the bonds. These stated modifications to the allocation process may result in no purchased bonds allocated to an account for a given trade.

When a bond is sold that is owned in more than one account, the quantity sold will be aligned with the account that most logically benefits, trying to match identical quantities whenever possible. When a bond that is owned in more than one account as a result of an aggregated (block) trade, the sale allocation will follow the purchase allocation procedures. SB Value has adopted a Code of Ethics intended to address actual and potential conflicts between SB Value and its clients.

There are further details regarding trade allocation procedures outlined in the Investment Management Agreement specific to these types of accounts and are generally reserved for financial institutions, banks, other institutional investors and high net worth individuals.

Trust Acquisition Referral

SB Value serves in the role of finder for Trust Acquisition Referrals involving single trust wealth management accounts or groups of such accounts. SB Value does not offer fiduciary or investment management services to acquired accounts. Trust Acquisition targets are identified by SB Value and referred to the potential purchaser. SB Value assists the potential purchaser and seller of the trust account(s) in the preliminary exchange of information and communications between the parties. Should an agreement take place between the potential purchaser and seller of aforementioned accounts, purchaser then pays a referral fee to SB Value.

Institutional Asset Management

For ultra high-net worth individuals or entities, on a discretionary or non-discretionary basis, SB Value offers independent portfolio analytics, due diligence and portfolio support. The firm will also offer investment recommendations, consistent with the client's objectives and risk tolerance. Clients may impose restrictions on investing in certain securities or types of securities. Recommendations given to any client may differ from recommendations given, or the timing and nature of the action taken, with respect to other client accounts.

Fees and Compensation

Private Funds

The General Partner does not charge placement fees or sales commissions to prospective investors. The General Partner may pay finders' fees or a portion of the Profit Participation (as defined in the "Performance Based Fees and Side-by-Side Management" section), or grant an interest in the General Partner, to individuals, entities or employees that solicit

investors.

Organizational Expenses. The Partnerships will bear or reimburse the General Partner for all expenses incurred in connection with its organization and the initial and continuing offering of Units. The Partnership will also bear its pro-rata share of expenses incurred in organizing the Partnership. These expenses include, without limitation, legal fees, accounting fees, printing costs and other out-of-pocket expenses incurred by the General Partner in connection with the offering. (Additional information is contained in the PPM, which is available upon request).

Operating Expenses. The Partnerships will bear or reimburse the General Partner for all the normal recurring expenses of its operation including, without limitation, brokerage commissions, “bid”/“asked” spreads, research related expenses, salary and benefit expenses, clearing and trading fees, auditors’ fees, legal fees, custodian fees, accounting fees, travel expenses, office supplies, bookkeeping expenses and other similar expenses, including those fees associated with the management of the account by sub-advisors. (Additional information is contained in the PPM, which is available upon request).

Custody Expenses. The Partnerships will bear all fees and expenses of custodian and clearing agencies, if any, of the Partnerships. (Additional information is contained in the PPM, which is available upon request).

Separately Managed Accounts (SMA’s)

No annual management fee will be charged to the separately managed accounts. The SMAs will pay an incentive-based fee (see below Performance Based Fees). In addition to the performance based fee, the Accounts are responsible for their pro-rata share of expenses, including without limitation, salaries, office rent, clearing and trading costs, and other expenses which relate directly to the daily operation of the account including charges assessed by sub-advisors and/or custodians.

Operating Expenses for both the partnerships and SMAs are deducted from client accounts on a monthly basis pursuant to the terms of the partnership agreements and investment management agreements. Clients will receive a monthly summary of all fees and expenses attributable to the accounts.

Trust Acquisition Referral

SB Value serves in the role of finder for Trust Acquisition Referrals and receives finders fees from the purchasing institution. Finders fees paid by the purchasing institution to SB Value are up to 0.60% of the assets under management of the selling institution for the first year.

Institutional Asset Management

SB Value offers a fixed fee for advisory services provided to the Institutional Asset Management Accounts. Generally, the fixed fee for these services is between \$25,000 - \$100,000.

Depending on a variety of circumstances, alternative fee arrangements are negotiated from time to time. Generally, these fees are payable and assessed monthly in arrears. Upon agreement between the client and the Adviser, these fees may be assessed and payable quarterly. Upon agreement between the client and the Adviser, these fees may also be assessed and payable annually in advance. Generally, these fees are automatically deducted from client accounts, but clients who request may be billed for our fees. Please note that in addition to the advisory fees discussed in this section, clients are also responsible for the costs of custody, commissions, mark-ups and other charges by the custodian for resulting transactions in their Institutional Asset Management Account.

Performance Based Fees and Side-by-Side Management

The Partnerships and Separately Managed Accounts do not pay a management fee to the General Partner. The General Partner's sole source of compensation for managing the affairs of the Partnerships and Separately Managed Accounts is performance-based profit participation. As of the last business day of each calendar year (a "Performance Period"), the General Partner will receive a percentage of each limited partner's and separately managed account's Net Profits (the "Profit Participation") as follows:

- 1) In the case of limited partners of SAB Equity Partnership, L.P. (Moderate Equity Program) the percentage is 20%
- 2) In the case of limited partners of SAB Capital Markets L.P. and the Separately Managed Accounts the percentage is 25%

"Net Profits" generally means profits less partnership expenses. The Profit Participation is only charged in a year when Net Profits for a limited partner and separately managed accounts exceed the aggregate amount of any net losses from previous Performance Periods that have not been recouped by Net Profits in subsequent Performance Periods. A full description of the compensation and expenses for each of the Partnerships is disclosed in the Private Placement Memoranda or Investment Management Agreement, which are available upon request.

Types of Clients

The General Partner primarily provides investment management services to the Partnerships, individuals and associated trusts, estates, or charitable organizations, banks or

thrift institutions, investment companies, pension and profit sharing plans and other corporations or business entities.

Methods of Analysis, Investment Strategies and Risk of Loss

SAB Moderate Equity Strategy (includes Partnership)

The General Partner conducts fundamental, technical and cyclical analysis to select securities for the Partnerships. The General Partner utilizes an array of research materials and databases for stocks, bonds, and mutual funds, as well as industry and general economic publications.

Although the Partnerships may vary their investment criteria, the SAB Moderate Equity Partnership, LP presently intends to invest in community banking companies exhibiting the following characteristics:

- Strong Returns on Assets and Equity
- Capable and Professional Management
- Desirable Business Franchise
- High Net Interest Margins
- Excellent Efficiency Ratios

The General Partner also will invest in special situations such as corporate turn-arounds, arbitrage and bank combinations. The General Partner intends that the foregoing strategy will comprise the majority of the SAB Moderate Equity Partnership's activities. However, there can be no assurance that the General Partner will continue to pursue this strategy. Furthermore, over time, the General Partner may develop new investment strategies that have risk/reward parameters different than the strategy currently employed and may invest a portion of the Partnerships' assets utilizing such differing investment strategies.

SAB Capital Markets Strategy (includes Partnership and SMAs)

Although the Partnerships may vary their investment criteria, the SAB Capital Markets, L.P. presently intends to invest primarily in debt securities and other obligations issued by or on behalf of:

- States
- Counties
- Municipalities
- Territories and Possessions of the United States and the District of Columbia and their authorities, political subdivisions, agencies and instrumentalities.

The General Partner intends that the foregoing strategy will comprise the majority of the SAB Capital Markets, LP's activities. However, there can be no assurance that the General

Partner will continue to pursue this strategy. Furthermore, over time, the General Partner may develop new investment strategies that have risk/reward parameters different than the strategy currently employed and may invest a portion of the Partnerships' assets utilizing such differing investment strategies.

General. The descriptions contained herein of specific activities that may be engaged in by the Partnerships should not be construed as in any way limiting the Partnerships' investment activities. The Partnerships may engage in investment activities and may invest in securities that are not described herein but that the General Partner considers appropriate.

The description provided above is a brief overview of the methods used to analyze securities and is not intended to be complete. The investment strategy for each of the Partnerships varies. For a summary of the Partnerships and a description of the investment strategy offered, see section entitled "*Advisory Business*."

All investing involves a risk of loss and the investment strategies offered by the General Partner could lose money over short or even long periods. No guarantee or representation is made that the investment programs offered by the General Partner will achieve their investment objectives. The description contained below is a brief overview of different investment risks related to the General Partner's advisory services:

Investing in securities is inherently risky - An investment in individual securities or in a portfolio of securities could lose money. The General Partner cannot give any guarantee that it will achieve its investment objectives or that any client will receive a return of their investment.

Management Risk - Management risk means that your investment varies with the success and failure of the General Partner's investment strategies and the General Partner's research, analysis and determination of portfolio securities.

Stock Market Risk - The price of common stocks and other securities held may decline due to market conditions.

Issuer Risk - The value of a security may decline for a number of reasons, which directly relate to the issuer, such as management performance, financial leverage, and reduced demand for the issuer's goods and services.

Industry or Sector Emphasis Risk - Investing a substantial portion of assets in related industries or sectors may have greater risks because companies in these industries or sectors may share common characteristics and may react similarly to market developments.

Non-Diversification Risk - Non-diversified funds have the ability to take larger positions in a smaller number of issuers than a diversified fund, which makes a non-diversified fund more susceptible to financial, economic or market events impacting such issuers and a non-

diversified fund's share price may be more volatile than the share price of a diversified fund.

Mutual Fund and ETF Trading Risk - Programs may invest in mutual funds that are either open-end or closed-end investment companies as well as ETFs. ETFs are investment companies that are bought and sold on a national securities exchange. Unlike mutual funds, ETFs do not necessarily trade at the net asset values of their underlying securities, which mean an ETF could potentially trade above or below the value of the underlying portfolios. Additionally, because ETFs trade like stocks on exchanges, they are subject to trading and commission costs unlike mutual funds. Also, both mutual funds and ETFs have management fees that are part of their costs.

Value Style Investment Risk - Value investments can perform differently from the market as a whole and from other types of stocks. Value investments may be purchased based upon the belief that a given security may be out of favor; that belief may be misplaced, or the security may stay out of favor for an extended period of time.

Medium-Sized Companies Risk - Medium-sized companies may be more vulnerable to adverse business or economic events than stocks of larger companies. Investing in securities of medium-sized companies involves greater risk than investing in larger, more established companies because they can be subject to more abrupt or erratic share price changes than larger, more established companies.

Smaller Company Securities Risk - Securities of companies with smaller market capitalizations tend to be more volatile and less liquid than larger company stocks. Smaller companies may have no or relatively short operating histories or be newly public companies.

Foreign Investment Risk - Foreign securities include ADRs and similar investments, including European Depositary Receipts ("EDRs") and GDRs. Foreign securities may be subject to more risks than U.S. domestic investments. These additional risks may potentially include lower liquidity, greater price volatility and risks related to adverse political, regulatory, market or economic developments. Foreign companies also may be subject to significantly higher levels of taxation than U.S. companies, including potentially confiscatory levels of taxation, thereby reducing the earnings potential of such foreign companies.

Emerging Markets Risk - Emerging markets may have obsolete financial systems and volatile currencies and may be more sensitive than more mature markets to a variety of economic factors. Emerging market securities also may be less liquid than securities of more developed countries and could be difficult to sell, particularly during a market downturn.

Currency Risk - Investments in foreign securities involve exposure to fluctuations in foreign currency exchange rates. Such fluctuations may reduce the value of the Fund's investment in a foreign security.

U.S. Government Obligations Risk - If a government-sponsored entity is unable to meet its obligations, the performance of a mutual fund that holds securities of the entity will be adversely impacted. U.S. Government obligations are viewed as having minimal or no credit risk but are still subject to interest rate risk.

Fixed Income – General Risks

Bond markets and prices fluctuate daily, and fixed income investments generally include instruments with variable or floating rates, are subject to various risks, which means that as the value of a fixed income investment fluctuates, you could lose money.

Fixed Income – Interest Rate Risk

Interest rate risk is the risk that fixed income securities and other instruments in the portfolio will decline in value because of an increase in interest rates. As nominal interest rates rise, the value of certain fixed income securities held by the investor is likely to decrease. Fixed income securities with longer durations tend to be more sensitive to changes in interest rates, usually making them more volatile than securities with shorter durations.

Fixed Income – Credit Risk

A fixed income investment could lose money if the issuer or guarantor of a fixed income security is unable or unwilling, or is perceived (whether by market participants, ratings agencies, pricing services or otherwise) as unable or unwilling, to make timely principal and/or interest payments, or to otherwise honor its obligations. The downgrade of the credit of a security held by an investor may decrease its value. Securities are subject to varying degrees of credit risk, which are often reflected in credit ratings. Municipal bonds are subject to the risk that litigation, legislation or other political events, local business or economic conditions, or the bankruptcy of the issuer could have a significant effect on an issuer's ability to make payments of principal and/or interest.

Fixed Income – High Yield Risk

If your account is invested in high yield securities and unrated securities of similar credit quality (commonly known as “junk bonds”), your account may be subject to greater levels of credit and liquidity risk than if it did not invest in such securities. These securities are considered predominately speculative with respect to the issuer's continuing ability to make principal and interest payments. An economic downturn or period of rising interest rates could adversely affect the market for these securities and reduce the investor's ability to sell these securities (liquidity risk). If the issuer of a security is in default with respect to interest or principal payments, the investor may lose its entire investment.

Fixed Income – Other Risks

Investing in fixed income securities includes other risks not specifically identified above including but not limited to Extension risk, Prepayment (Call) Risk, and Liquidity Risk.

Disciplinary Information

SB Value Partners, L.P. and its employees have not been involved in any legal or disciplinary events in the past 10 years that would be material to a client's evaluation of the company or its personnel.

Other Financial Industry Activities and Affiliations

Barnes Holdings Corporation, LLC (BHC), a company primarily controlled by Scott A. Barnes, is a limited partner of SB Value Partners, L.P. The general partner of SB Value Partners, L.P. is Foxfield Investments, LLC, of which Scott A. Barnes is President.

SB Value Partners, L.P. acts as the general partner for the Partnerships. As such, the company receives compensation (as described herein) for these activities as General Partner.

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

SB Value Partners, L.P. has adopted a Code of Ethics for the purpose of instructing its personnel in their ethical obligations and to provide rules for their personal securities transactions. The General Partner and its personnel owe a duty of loyalty, fairness and good faith towards their clients, and the obligation to adhere not only to the specific provisions of the Code but to the general principles that guide the Code. The Code covers a range of topics that may include: general ethical principles, reporting personal securities trading, exceptions to reporting securities trading, reportable securities, initial public offerings and private placements, reporting ethical violations, distribution of the Code, review and enforcement processes, amendments to Form ADV and supervisory procedures. We will provide a copy of the Code to any client or prospective client and any investor or prospective investor upon request.

Transactions are affected in the best interests of the client. SB Value Partners, L.P. does not permit insider trading and has implemented procedures to ensure that its policy regarding insider trading is being observed by associated persons.

SB Value Partners, L.P. may offer its clients an opportunity to invest in private investment partnerships (including the Partnerships) or investment limited liability companies to which SB Value Partners, L.P. or a related person is general partner. Each offeree receives a copy of the offering documents, which disclose the relationship between SB Value Partners, L.P. and the investment partnership or company.

Associated persons may own an interest in or buy or sell for their accounts the same securities, which may be purchased or sold in the accounts of the Partnerships and the managed accounts. Associated persons seek to ensure that they do not personally benefit from the short-term market effects of their recommendations to investors and their personal transactions are regularly monitored. Associated persons are aware of the rules regarding material non-public information and insider trading. Associated persons may also buy or sell specific securities for their accounts based on personal investment considerations, which SB Value Partners, L.P. does not deem appropriate to buy or sell for investors.

Brokerage Practices

On behalf of the Partnerships and Separately Managed Accounts, SB Value Partners, L.P. has the authority to determine, without obtaining specific client consent, (a) the securities to be bought and sold; (b) direct the amount of securities purchased, sold, exchanged, and otherwise traded; (c) place orders for the execution of such securities transactions with broker/dealers (d) determine the commission rates paid and (e) select, authorize and oversee sub-advisors to conduct such functions as described above.

The Advisor may place orders for the execution of transactions with or through any broker/dealer as SB Value Partners, L.P. may select, and complying with Section 28(e) of the Securities Exchange Act of 1934, may pay a commission on transaction fees in excess of the amount of commission another broker or dealer would have charged. SB Value Partners, L.P. will select such brokers that can affect transactions at the best price and execution under the prevailing circumstances.

SB Value Partners, L.P. is responsible for the placement of the portfolio transactions of the Partnerships and Separately Managed Accounts and the negotiation of any commissions paid on such transactions. Portfolio securities normally are purchased through brokers on securities' exchanges or directly from the issuer or from an underwriter or market maker for the securities. Purchases of portfolio instruments through brokers involve a commission to the broker. Purchases of portfolio securities from dealers serving as market makers include the spread between the bid and the asked price.

Fixed income transactions are executed by a dedicated trading group through ECNs, other Broker/Dealers, Broker's Brokers, and other Registered Investment Advisors. Pershing Advisor Solutions clears and settles all the Partnership's and Separately Managed Accounts' securities and fixed income transactions, maintain custody of the Partnerships' and Separately Managed Accounts' assets, and, if necessary, lend funds to the Partnerships in connection with its trades. Securities transactions will be executed by brokers selected by SB Value Partners, L.P. in its sole discretion and without the consent of the Partnerships or Separately Managed Accounts. In placing portfolio transactions, SB Value Partners, L.P.

will seek to obtain the best execution for the Partnerships and Separately Managed Accounts, taking into account the following factors: the ability to effect prompt and reliable executions at favorable prices (including the applicable dealer spread or commission, if any); the operational efficiency with which transactions are effected, taking into account the size of order and difficulty of execution; the financial strength, integrity and stability of the broker; the risk in positioning a block of securities; the quality, comprehensiveness and frequency of available research services considered to be of value; and the competitiveness of commission rates in comparison with other brokers satisfying SB Value Partners, L.P.'s other selection criteria.

Review of Accounts

The CCO or his designee will conduct a review of all holdings of the Partnerships and the Separately Managed Accounts on a quarterly basis. Also, an independent auditor, R. D. Harrison, CPA, conducts quarterly reviews and calculates the Partnerships' performance.

Client Referrals and Other Compensation

The General Partner may enter into arrangements with institutions and others whereby the General Partner shares a portion of the Profit Participation in exchange for referral and other services. Pursuant to Rule 206 (4)-3 of the SEC Rules under the Investment Advisors Act of 1940, where cash payments are made for solicitation, the General Partner has in place a written agreement binding the solicitor to comply with the 1940 Act and Rules and requiring delivery to the client of (a) Part 2 of the General Partner's Form ADV and (b) a written Profit Participation sharing disclosure statement meeting the requirements of the Rule.

Custody

Because SB Value Partners, L.P. serves as the general partner of the Partnerships it is deemed to have custody of the Partnerships' assets. However, the Adviser does not maintain physical possession of the Partnerships' funds or securities. Custody of Partnerships' assets are maintained with an independent custodian, Pershing Advisor Solutions (PAS). Each Private Fund partner receives, as soon as practicable (within 120 days, except under certain unforeseeable circumstances), following each fiscal year end of the Partnerships annual audited financial statements prepared in accordance with U.S. generally accepted accounting principles.

While SB Value Partners does not have physical custody of client funds or securities in the Separately Managed Accounts, it does have the ability to deduct fees from the accounts. The qualified custodian sends statements directly to the clients no less than quarterly. Clients should carefully review those statements for accuracy promptly upon receipt.

Investment Discretion

As discretionary manager, the General Partner maintains a limited power of attorney for each discretionary account (Partnerships and Separately Managed Accounts). This limited authority allows the General Partner to determine the securities to be bought and sold without obtaining client consent to specific transactions. This includes (a) the securities to be bought and sold; (b) the amount of securities purchased, sold, exchanged, and otherwise traded; (c) orders placed, for the execution of such securities transactions, with broker/dealers and (d) determining the commission rates paid, if any. Selection of the investments follows the general investment parameters for each Partnership and Separately Managed Account. Additionally, the General Partner has been granted discretionary authority to select, authorize and oversee sub-advisors to perform the advisory functions as outlined in its agreements.

Aggregated (Block) Trading

SB Value may aggregate orders of two or more clients to achieve better trade execution or to allocate limited investment opportunities among its clients, provided the aggregation and allocation of such order is fair and equitable to all clients participating in the aggregated trades. If an aggregated order is executed in a series of transactions over the course of the day, each account will receive the average execution price for all transactions.

Client trades may be aggregated with employee trades or trades for an affiliated account (e.g. a private fund whose partners are Company officers or employees), provided the aggregation and allocation of such order is fair and equitable to all clients participating in the aggregated trades. If an aggregated order is executed in a series of transactions over the course of the day, each account will receive the average execution price for all transactions. SB Value has adopted a Code of Ethics intended to address actual and potential conflicts between SB Value and its clients.

Voting Client Securities

SB Value generally does not take any action or render any advice related to the voting of proxies for SMA's or for the Partnerships.

Financial Information

The General Partner has never filed for bankruptcy and is not aware of any financial condition that is expected to affect its ability to manage client accounts.