

BROCHURE

(Form ADV Part 2A)

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June 20, 2019

This Brochure provides you with information about the qualifications and business practices of *Kanen Wealth Management LLC*. It contains information that you should consider before becoming a client of our firm.

The information contained herein has not been approved or verified by the United States Securities and Exchange Commission or any state securities authority. Registration of an Investment Adviser does not imply a certain level of skill or training, only that we have filed the requisite registration documents in the appropriate jurisdictions and with the respective governmental entities.

If you have any questions about the contents of this Brochure, please contact us by telephone at (631) 863-3100. Additional information about Kanen Wealth Management, can be found on the SEC's website at www.adviserinfo.sec.gov. Kanen Wealth Management CRD/IARD No. is 282746.

MATERIAL CHANGES (Item 2)

This version of our Brochure dated June 20, 2019 is an interim amendment relative to SEC registration.

Assets Under Management

We have updated our assets under management as required by regulations. We currently* manage \$109,117,323 in client assets. All client assets are managed on a discretionary basis. *Our asset under management calculations are as of December 31, 2018.

General Revisions

We have included additional information to ensure that our disclosures are clear and concise.

Full Brochure Available

The foregoing is a summary of the material changes in the interim amendment to our Brochure. If you have any questions about our updates, please contact us by telephone at (631) 863-3100 or by email to dkanen@kanenadvisory.com.

Please also note that additional information about Kanen Wealth Management, can be found on the Investment Adviser Public Disclosure website at www.adviserinfo.sec.gov. Kanen Wealth Management CRD/IARD No. is 282746.

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ADVISORY SERVICES (Item 4)

About Our Business

Kanen Wealth Management LLC (referred to herein as, “we,” “our,” or “us”) is a wealth management firm that offers portfolio construction advice, recommends market-responsive investment strategies and provides investment management services to a pooled investment vehicle. Our firm is a state of Florida domiciled limited liability company that began managing our clients’ investments and providing financial expertise in February of 2016. We also conduct advisory business in the states of California, New York, Pennsylvania, Texas and Virginia. David L. Kanen is principal owner and chief compliance officer.

Types of Advisory Services

We are a boutique wealth management firm that provides customized and comprehensive investment management strategies based on our client’s specific goals, objectives, and needs. We also provide investment management services to a pooled investment vehicle. A detailed explanation of our services is as follows:

1. Portfolio Management Services

We offer investment management services, portfolio construction, and other advisory services to meet a client’s investment goals and objectives. Our portfolio management strategies encompass recommendations that align with a value-based investment philosophy that primarily utilizes undervalued equities that have long-term growth expectation. We consider a client’s net worth or annual income, other financial circumstances, and comprehensive investment goals when recommending the use of small-cap equities, balanced fixed income securities, exchange traded funds, mutual funds, equity options and structured products such as income-oriented investments in our portfolio management strategies. Our client portfolios are monitored actively for requisite tactical responses to market and economic variations.

2. Investment Management Services to Pooled Investment Vehicle(s)

We are the general partner of the Philotimo Fund, LP, a Delaware Limited Partnership and pooled investment vehicle (hereinafter, the “Fund”). The Fund was organized and launched in October of 2016. As general partner, we offer partnership interests in the Fund to prospective investors. We also have discretionary authority to manage all assets held by the Fund. Our investment advice to the Fund is tailored to the Fund’s investment objectives, strategies, and restrictions as disclosed in the Fund’s governing disclosure documents or confidential private placement memorandum (hereinafter, “PPM”).

Our management services to the Fund, utilizes value based analysis that emphasizes catalysts, and which focuses primarily on undervalued equities that have long-term growth expectation. The catalysts may include, but are not limited to, stock buybacks, spin-offs, restructurings, activism and improving performance results. We also use proprietary screening methods and sourcing of ideas. Please note that the Fund may invest in other securities, but the primary focus of the Fund is high absolute returns through the use of undervalued equity securities.

This Brochure is not an offer to sell or a solicitation of an offer to buy interests in the Fund. Such an investment may be made only after receipt and review of the Fund’s PPM and execution of certain agreements. A copy of the PPM is available upon request; however, acceptance as investor of the Fund is not guaranteed. *Please also review Item 7 herein for additional qualification criteria specific to investors in the Fund.*

3. Alternative Investments Advisement

Occasionally, clients will request that we provide analysis and evaluation of unaffiliated third party alternative investments. Such alternative investments include but are not limited to interests in unaffiliated private equity funds, hedge funds, and venture capital funds, etc. Our advisement includes initial and ongoing investment due diligence and monitoring services.

Tailored Services

Portfolio Management Services

Our advice and services are based on the individual needs of a client, after analyzing and thoroughly evaluating each client’s goals, objectives, investment horizon, risk tolerance and tax situation. Clients may impose restrictions on investing in certain asset classes or any specific types of securities by advising their investment advisor representative of such restrictions.

Pooled Investment Vehicles

Our investment management services to the Fund are based on the specific investment objectives of the Fund. **We do not provide tailored investment advice to investors in the Fund. Therefore, investors in the Fund may not impose restrictions.**

Wrap Fee Programs

We are not a participant in any wrap fee program.

Assets under Management

We currently* manage \$109,117,323 in client assets. All client assets are managed on a discretionary basis.

*Our asset under management calculations are as of December 31, 2018.

FEES AND COMPENSATION (Item 5)**Advisory Fees**

We earn fees and compensation by constructing portfolios, providing advice regarding specific investment strategies and managing the Fund. Our fees for services are as follows:

1. Fees for Portfolio Management Services

Our fee schedule for Portfolio Management Services is as follows:

Kanen Wealth Management LLC – Portfolio Management Fee Schedule

Assets Under Management	Annual Rate
First \$2,500,000	2.0%
Next \$2,500,000	1.5%
Next \$2,000,000	1.0%
Over \$7,000,000	Negotiable

Sample Fee Calculation:

Investments of **\$7,000,000**

\$2,500,000 @ 2.0%

\$2,500,000 @ 1.5%

\$2,000,000 @ 1.0%

(Effective blended rate of 1.54%)

Quarterly fee of **\$26,875** or Annual fee of **\$107,500**

Our fee schedule for portfolio management services is negotiable and the final fee is outlined in our investment management agreement. Please also review Item 7, Types of Clients for more details regarding our minimum investment value of \$200,000. We reserve the right to waive our minimum requirement for portfolio management services based on other criteria (e.g., pre-existing relationships, related accounts, anticipation of additional assets, etc.) that we deem pertinent.

2. Fees for Investment Management Services to the Fund**(a) Management Fees**

For services to the fund, we charge investors an annual investment management fee (“management fee”) in the amount of 2.0%. The management fee is payable quarterly in advance, at the rate of 0.5%.

(b) Performance Based Fees

We also assess a quarterly performance allocation equal to twenty percent (20%) of each investor’s ratable share of the Fund’s profits for such quarter. The performance allocation is only assessed in such instances that such profits exceed such investor’s “high water mark.” More specifically, the performance allocation is subject to a loss carry-forward provision, in that no performance allocation will be deducted from any investor’s capital account until prior losses have been recouped.

3. Fees for Alternative Investment Advisement

Fees for advisement relative to alternative investments are assessed in accordance with the investment management fee schedule herein.

Billing Procedures

Our specific billing procedures are as follows:

1. Billing for Portfolio Management Services

The fees for portfolio management services are billed and due quarterly in advance (at the beginning of each calendar quarter). Fee calculations are based on the value of the account(s) as listed on a national securities exchange or the principal market where the securities are traded, at the closing price, as of the last day of the previous calendar quarter (i.e., Dec., Mar., Jun., and Sept.). Additionally, there may be limitations in pricing for small or microcap equities and in such cases, the value will be determined by the most recent quotation as supplied by the account custodian or broker-dealer firm through which the transaction is effectuated. Also, with respect to fixed income securities, valuations for billing include accrued interest. Margin interest, if any, will accrue monthly.

At the beginning of each quarterly billing period, we concurrently send our advisory fee calculations to the account custodian and clients. Each client's advisory fee invoice details the amount of the fee to be withdrawn, the value of the assets on which the fee is based, and the formula used to calculate the advisory fee. By agreement and client's written authorization, client advisory fees are deducted directly from the client's specified account(s).

2. Billing for Services to the Fund

(a) Management Fees

The quarterly management fee assessment to the Fund is based on the beginning quarterly balance of each investor's capital account after taking into account any subscription and/or redemption activity in the investor's capital account. The fee is payable quarterly in advance and assessed against the investor's capital account balance at the beginning of each calendar quarter. That is, on any day during the first week of calendar quarter, fees are deducted from each investor's capital account, or are recorded as a payable to us. Please note that management fees recorded as payable to us, are available for withdrawal at our discretion. As indicated in the Fund's PPM, in our capacity as general partner, we may, at our sole discretion alter, reduce, or waive any portion of the fee payable to the Fund as to any client, investor, employee, principal, or affiliate, etc.

(b) Performance-based Fees

The performance allocation is assessed quarterly in arrears at a rate equal to twenty percent (20%) of each investor's ratable share of the Fund's profits for such quarter, but only to the extent that such profits exceed such investor's "high water mark." More specifically, the performance allocation is subject to a loss carry-forward provision, in that no performance allocation will be deducted from any investor's capital account until prior losses allocated to such investor have been recouped. With respect to billing, on any day during the first week of the succeeding calendar quarter, the performance allocation is deducted from each investor's capital account or is recorded as a payable to us. Please note that performance allocation fees recorded as payable to us are available for withdrawal at our discretion. Moreover, in instances where an investor makes a partial or complete withdrawal, we may, at our sole discretion compute and assess the performance allocation at any time.

3. Billing for Alternative Investment Fund Advisement

There are no separate billing procedures for alternative investment advisement. Fees are assessed in accordance with the portfolio management fee schedule. For the purpose of calculating advisory fees, the value of any alternative investment, which generally reflects the initial purchase (or the most recent valuation reported by the issuer or account custodian), is included as a part of a client's aggregate "assets under management" (i.e., included with the value of all advisory accounts).

Other Fees & Expenses

Clients will also incur additional fees and expenses ("third party fees") related to management of investments and advisory service provisions. These fees may include, but are not limited to mutual fund ticket charges, 12b-1 fees, brokerage transaction costs, deferred sales charges on previously purchased mutual funds, IRA maintenance fees and other legal or transfer fees. The account custodians, broker-dealers, mutual fund companies, and others who provide account services charge these fees and clients are responsible for payment of all third party fees and expenses. It is important to note that the advisory fees paid to our firm are separate and distinct from the maintenance fees and transaction expenses charged by these third parties. Please refer to Item 12, Brokerage Practices for more information regarding our account custodian.

Likewise, the Fund will pay for all ordinary operating and other expenses, including, but not limited to, investment-related expenses (such as brokerage commissions, clearing and settlement charges, custodial fees, interest expenses, expenses relating to consultants, brokers or other professionals or advisors who provide research, advice or due diligence services with regard to investments, appraisal fees and expenses and investment banking expenses); research costs and expenses (including fees for news, quotation and similar information and pricing services); legal expenses (including, without limitation, the costs of on-going legal advice and services, blue sky filings and all costs and expenses related to or incurred in connection with our firm's compliance obligations under applicable federal and/or state securities and investment advisor laws arising out of our relationship to the Fund, as well as extraordinary legal expenses); accounting fees and audit expenses; administrative fees; tax preparation expenses and any applicable tax liabilities (including transfer taxes and withholding taxes); other governmental charges or fees payable by the Fund; director and officer and/or errors and omissions liability insurance premiums or fiduciary liability insurance premiums for directors, officers and personnel of our firm; costs of printing and mailing reports and notices; and other similar expenses related to the Fund, as determined in our sole discretion. To the extent that expenses borne by the Fund are paid by our firm, the Fund will reimburse the us for such expenses.

Refund Policy

Either party may terminate the advisory agreement at any time by providing fourteen (14) days advance written notice to the other party. Upon receipt of the termination request, we will assess fees pro rata to the date of termination and any unearned portion of prepaid fees will be refunded within ten (10) business days. Any balances for unpaid fees due to our firm will be collected prior to disbursement of funds, if applicable. In the event that we are unable to deduct final fees from account (in the case of account transfer), we will transmit an invoice to client, which is due and payable upon receipt. Clients pay balance due by mailing a check to our address herein.

Investors in the Fund are permitted to make withdrawals from capital accounts as of the last business day of any calendar quarter, provided that we receive at least thirty (30) days' prior written notice of such withdrawal request. Furthermore, the request for withdrawal must meet the minimum capital account balance parameters as outlined in the Fund's PPM.

Other Compensation

Neither our firm nor investment advisor representative receives any compensation for the sale of securities or other investment products. Our investment advisor representative is not registered in any securities or investment sales capacity.

PERFORMANCE-BASED FEES AND SIDE-BY-SIDE MANAGEMENT (Item 6)

Performance-Based Fees

As indicated in Item 5, we will assess a performance allocation for investment interests in the Fund. The performance allocation is based on shares of capital gains or appreciation of each investor's ratable share of the Fund's profits. The performance allocation is assessed quarterly in arrears at a rate equal to twenty percent (20%) but only to the extent that such profits exceed such investor's "high water mark." More specifically, the performance allocation is subject to a loss carry-forward provision, in that no performance allocation will be deducted from any investor's capital account until prior losses allocated to such investor have been recouped. Fees based on performance indicate that we participate directly in the profitability of each investor's ratable share of the Fund.

The performance allocation is only assessed to investors in the Fund who meet the definition of "qualified client", a term that is defined in Rule 205-3 under the Investment Advisers Act of 1940.

For advisory engagements entered into on or after September 28, 2016, the qualifications for investors who meet the definition of qualified client and therefore qualify for performance based fee assessment (if applicable), are as follows:

- (a) A natural person who, or a company that, immediately after entering into an advisory contract has at least \$1,000,000 in assets under the management with our firm; or
- (b) A natural person who (and any person acting on his behalf), or a company that, immediately prior to entering into an advisory contract (and for whom we have been able to make a

reasonable determination) has a net worth (including assets held jointly with a spouse) of more than \$2,100,000.

Side-by-Side Management

Our firm conducts side-by-side management of client portfolios and the Fund. Client portfolios are not assessed performance-based fees and as indicated above, we are compensated by a performance allocation from each investor's interest in the Fund.

We may utilize similar investment management methodologies however, some strategies employed for the Fund are riskier and suitable only for specific types of investors who can withstand certain thresholds of risk and significant tax implications. Accordingly, individual clients will have different tax situations than that of investors in the Fund, therefore we take into consideration the nature or structure of investment and the underlying tax consequences when making investment decisions and allocating investments among accounts. Therefore, although some methodologies may be similar, due to unique and significant tax implications, we generally differentiate our methods of management for the Fund from the methods used for individual client portfolios.

We endeavor to provide advice and make securities recommendations that are in alignment with our fiduciary duty and without consideration of our own interests. As general partner of the Fund, we individually, as well as our affiliates, shareholders, members, partners, managers, directors, officers and employees may also be investors in the Fund. The foregoing affiliations and various other factors including but not limited to compensation variations, and types of services offered to other clients, present our firm with conflicts of interest. Any investment, pecuniary, or financial interest that we may have is an incentive to give preferentiality to transactions for accounts that generate performance-based fees or compensation based on trade size or volume, over other accounts. Please note that we do not differentiate our advice based on the ability of an account to generate performance based compensation or additional benefits as a result of the size or volume of trades.

To mitigate conflicts of interest, we have developed policies and procedures to allocate investments equitably and without regard to compensation or account size. Additionally, our chief compliance officer will review transactions periodically to detect and prevent preferential trading or partialities in the implementation of investment strategies.

TYPES OF CLIENTS (Item 7)

We generally provide investment advice to individuals, high net-worth individuals, charitable organizations, and other business entities.

We require a minimum investment value of \$200,000 for portfolio management services. Notwithstanding the foregoing, we reserve the right to waive our minimum requirement for portfolio management services based on other criteria (e.g., pre-existing relationships, related accounts, anticipation of additional assets, etc.) that we deem pertinent.

The Fund requires a minimum capital contribution of \$250,000. Investors in the Fund must be both "accredited investors" as defined in Rule 501(a) of Regulation D under the Securities Act of 1933 and "qualified clients" as defined in Rule 205-3 under the Investment Advisers Act of 1940. Some exceptions apply, please review the Fund's PPM for additional details.

METHODS OF ANALYSIS, INVESTMENT STRATEGIES, AND RISK OF LOSS (Item 8)

Methods of Analysis and Investment Strategies

We utilize a variety of methods to analyze investments including fundamental and technical analysis. Our main sources of information include but are not limited to financial newspapers and magazines, inspection of corporate activities, research materials prepared by others, and annual reports, prospectuses, and corporate filings with the U.S. Securities and Exchange Commission.

Fundamental analysis consists of calculating financial ratios, as well as reviewing cyclical trends of industries in conjunction with monetary policy indicators to assess the overall performance and profitability of markets and companies. We conduct fundamental analysis of selected stocks, research economic and stock market trends, and follow certain technical indicators to determine when to buy and sell stocks. We search for stocks that have growth potential but are selling at a discount to their calculated intrinsic value.

Intrinsic value is a calculation based on a company's estimated free cash flow and that number is mathematically discounted back to a current value. For high growth stocks, the discount must be greater than that for dividend-paying and slow-growing stocks.

We may also employ technical analysis to analyze securities. Technical analysis relies on appraisal of trends in current market conditions to make interpretations about future price trends of a company or market index. We use charts, moving averages, and trading volumes to formulate and implement investment strategies based on this type of analysis.

We select investments in companies that are well-managed, financially sound and that are considered to be undervalued in the marketplace. Accordingly, we employ a value-based approach in making investment recommendations and decisions. This approach is based on our belief that at any given point in time the stock price of a company may sell below the company's "true net worth". Factors considered in evaluating the true business worth include the company's current earnings and our evaluation of its future earnings potential. After identifying a company whose securities are determined to have a favorable price-to-earnings relationship, we invest in such securities until the "true business worth" nears the market price of the company's securities. Our firm focuses on identifying, analyzing, and selecting individual companies that meet long-term growth expectations to perform best during the next 12 to 24 months.

We may also use bonds and short-term instruments as defensive investments. While we anticipate making recommendations mainly in stocks during the most favorable economic and investment conditions, we may reduce stock positions and increase bonds and cash during economic recessions and protracted bear markets. This strategy is used as an attempt to minimize portfolio risk. This broad diversification seeks to reduce risk and is considered a conservative investment strategy with the intent of preserving capital.

Our management strategy with respect to the Fund utilizes companies with mispriced securities and low price-to-book ratio that nevertheless generate significant free cash flow and that will benefit from near term catalysts that can unlock value. Some of these catalysts may include: stock buybacks, spin-offs, restructurings, activism, and improving performance results. We also use proprietary screening methods and sourcing of ideas for the Fund. The investment objective of the Fund is to generate high absolute returns, both by identifying companies that are very cheap as well as expensive and that we believe will appreciate in value. Generally, transactions for the Fund include investments in small-cap equities, balanced fixed income securities, exchange traded funds, mutual funds, equity options, structured products and income-oriented investments.

Material Risks of Methods of Analysis and Investment Strategies

Furthermore, although we utilize common investment analysis methods and strategies, there remains some level of material risk. We utilize fundamental analysis methods that measure the risks of companies by formulating assumptions based on historical financial representations. Although we use valid data sources, examine expense ratios, review return and risk ratings extensively, refer to economic indicators, review the implications of monetary policy, and consider management team tenure, our strategies are implemented as a result of assumptions that are derived from the analysis of historical data. The results of investment strategies derived from this method of analysis are not guaranteed and past performance of investments is not indicative of future financial returns.

Analogous risks exist with respect to analyzing securities and implementing advice and strategies based on technical analysis. Although technical analysis is not our primary method of analysis, we may utilize it to evaluate the future profitability of holdings. Technical analysis relies on appraisal of trends in current market conditions to make interpretations about future price trends of a company's securities or stock market composites. We may also use charts, moving averages and trading volumes to formulate and implement investment strategies. Due to the unique trends in the market, technical analysis may not always yield a productive investment strategy. Furthermore, the results of investment strategies derived from this method of analysis are not guaranteed and material risks involve inaccuracy in future performance predictions.

There are also additional inherent risks associated with our investment recommendations and strategies. While we intend to recommend and buy undervalued (according to their intrinsic value) stocks of well-established companies that are among the leaders in their market sector, the stock may not perform as expected. We make every attempt to hold these stocks as long as their discounted intrinsic value continues to increase and they maintain their financial strength, superior management, and dominance in the marketplace. On the other hand, we will sell all or a portion of a stock position when the stock falters based

on our evaluation system or the expectations for the economy or overall investment conditions appear unfavorable. We attempt to minimize the effect on client accounts during protracted market downturns, which sometimes means selling stocks to retain the investment gains realized during favorable economic and investment conditions and buy others that have better financial results. Actively buy and selling stocks and other investment also involves timing risks. This proactive management style (actively monitoring and immediate response to market events) does have the risk of greater brokerage costs and underlying tax implications that in due course can affect investment performance and returns. Advisory clients typically face the following investment risks:

- **Interest-rate Risk:** Fluctuations in interest rates may cause investment prices to fluctuate. For example, when interest rates rise, yields on existing bonds become less attractive, causing market values to decline.
- **Market Risk:** The price of a security or mutual fund may drop in reaction to tangible and intangible events and conditions. This type of risk is caused by external factors independent of a security's particular underlying circumstances. For example, political, economic, and social conditions may trigger market events.
- **Inflation Risk:** When any type of inflation is present, a dollar will be worth more today than a dollar next year, because purchasing power is eroding at the rate of inflation.
- **Currency Risk:** Overseas investments are subject to fluctuations in the value of the dollar against the currency of the investment's originating country. This is also referred to as exchange rate risk.
- **Reinvestment Risk:** This is the risk that future proceeds from investments may have to be reinvested at a potentially lower rate of return (i.e. interest rate). This primarily relates to fixed income securities.
- **Business Risk:** These risks are associated with a particular industry or a particular company within an industry. For example, oil-drilling companies depend on finding oil and then refining it, a lengthy process, before they can generate a profit. They carry a higher risk of profitability than an electric company, which generates its income from a steady stream of customers who buy electricity no matter what the economic environment is like.
- **Liquidity Risk:** Liquidity is the ability to readily convert an investment into cash. Generally, assets are more liquid if many traders are interested in a standardized product. For example, Treasury Bills are highly liquid, while real estate properties are not.
- **Financial Risk:** Excessive borrowing to finance a business' operations increases the risk of profitability, because the company must meet the terms of its obligations in good times and bad. During periods of financial stress, the company's inability to meet loan obligations may result in bankruptcy and/or a declining market value and affect the value of its securities.
- **Business Continuity Risk.** In the event of a significant business disruption, unforeseeable event or natural disaster that causes total or partial outage affecting our offices or a technical problem affecting applications, data centers or networks, our advisory activities may be adversely impacted. Service providers may also fail to perform and our ability to conduct business may be curtailed by any disruption in the infrastructure that supports operations. To mitigate such risks, we have adopted a business continuity plan to implement recovery strategies that are designed to maintain critical functions and limit the impact of any business interruption or disaster on client activities or business transactions.

More Specific Risks relative to the Fund

There can be no assurance that the Fund will achieve its investment objective or avoid substantial losses. A prospective investor should not make an investment in the Fund with the expectation of sheltering income or receiving cash distributions. Investors are urged to consult with their personal advisors before investing in the Fund. The Fund's PPM contains important information concerning risk factors and other material aspects of the Fund and it must be read carefully before making an investment decision. The disclosures herein are qualified in entirety by, and should be read in conjunction with, the information contained in the Fund's PPM.

Notwithstanding the method of analysis or investment strategy employed by our firm, the assets within any investment portfolio are subject to risk of devaluation or loss. There is no guarantee that portfolio holdings

or investment assets will achieve the desired investment objectives. Please be aware that there are many different events that can affect the value of assets or portfolio holdings including, but not limited to, changes in financial status of companies, market fluctuations, changes in exchange rates, trading suspensions and delays, economic reports, and natural disasters. While this information provides a synopsis of the events that may affect investments, this listing is not exhaustive.

We want you to understand that there are inherent risks associated with investing and depending on the risk occurrence, you may suffer LOSS OF ALL OR A SUBSTANTIAL AMOUNT OF YOUR PRINCIPAL INVESTMENT.

Recommendation of Specific Types of Securities

We do not focus our advice on, or make recommendations relative to, any particular type of security. Our advice encompasses an array of securities and investment vehicles.

DISCIPLINARY INFORMATION (Item 9)

Neither our firm nor management personnel has been involved in any industry-related legal or disciplinary events.

OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS (Item 10)

Financial Industry Activities

Our firm is not a registered broker-dealer and we do not have an application pending for registration as a broker-dealer. Additionally, neither our management personnel nor investment advisor representative is registered as or has any application pending to register as a registered representative of a broker-dealer.

Financial Industry Affiliations

Neither our management personnel nor investment advisor representative is registered as a Futures Commission Merchant, Commodity Pool Operator, or Commodity Trading Advisor nor has any application pending to register as the foregoing or an associated person thereof.

Other Affiliations

Our principal owner, David L. Kanen serves on the boards of directors of a number of public companies whose securities are owned by the Fund. As general partner of Fund, we at times seek to acquire a “control” position in the securities of a company, and/or may secure the appointment of the Fund’s principal to the company’s management team or board of directors. In the event that material, non-public information is obtained with respect to such companies or in the event that the Fund or our principals, affiliates, shareholders, members, partners, managers, directors, officers and employees become subject to trading restrictions pursuant to the internal trading policies of such companies or as a result of applicable law or regulations, the Fund may be prohibited for a period of time from purchasing or selling the securities of such companies, which prohibition may have an adverse effect on the Fund. To date, our inability to trade during such times has not presented any significant obstacles to management of the Fund or execution of our investment strategy.

In addition, in the event that our principals, affiliates, shareholders, members, partners, managers, directors, officers and employees serve as directors of, or in a similar capacity with, companies in which the Fund invests, such persons may acquire fiduciary duties to the company and to its other shareholders. These fiduciary duties may compel the us to take actions that, while in the best interest of the company and/or its shareholders, may not be in the best interest of the Fund. Accordingly, in the foregoing instances, we may have a conflict of interest between the fiduciary duty (if any) that we owe to such companies and its shareholders and the fiduciary we owe to the Fund.

From time to time, our principal owner receives remuneration (to date only equity incentive options awarded as a member of a board of directors) in connection with serving on the board of directors of one or more of the Fund’s portfolio companies. Receipt of such remuneration creates a potential conflict of interest and is subject to the provision of our Code of Ethics.

David L. Kanen is also a licensed insurance agents who offers and sells insurance products to advisory clients for asset and income protection. These insurance offerings include life, accident and health, variable life and fixed annuity products. Insurance products are not offered by our firm but through Mr. Kanen’s

licensing with separate insurance brokers or vendors. Please review Item 4 of Mr. Kanen's Brochure supplement for more details regarding his activities as an insurance agent.

In Mr. Kanen's capacity as an insurance agent, he will receive separate, yet customary compensation for insurance product sales. In instances where Mr. Kanen receives advisory fees in addition to insurance commissions, the compensation may be greater than if purchased separately or absent of the advisory fee component. More specifically, advisory fees are not offset by insurance commissions earned. Insurance products may be available through more cost effective channels, and clients are not obligated to purchase insurance products recommended by Mr. Kanen.

Receiving compensation in dual capacities creates conflicts of interest. This is our notification of the aforementioned conflict of interest. Additional conflicts of interest are disclosed herein or to clients in writing and in advance of effecting such purchases.

We do not have arrangements with a related person that is a broker dealer, municipal securities dealer, government securities dealer or broker, investment company or other pooled investment vehicle (including mutual fund, closed-end investment company, unit investment trust, private investment company, or "hedge fund," and offshore fund), other investment advisor or financial planner, futures commission merchant, commodity pool operator, or commodity trading advisor, banking or thrift institution, accountant or accounting firm, lawyer or law firm, pension consultant, real estate broker or dealer, sponsor or syndicator of limited partnerships not already disclosed herein.

Other Investment Advisers

We do not recommend other investment advisors to our clients.

CODE OF ETHICS, PARTICIPATION, OR INTEREST IN CLIENT TRANSACTIONS AND PERSONAL TRADING (Item 11)

Code of Ethics

We require that all employees of Kanen Wealth Management act in an ethical and professional manner. Our management persons, investment advisor representatives, and other employees (collectively, "personnel") subscribe to a strict code of ethics. Our Code of Ethics is constructed to comply with the investment advisory laws and regulations that require firms to act as fiduciaries in transactions with their clients. Our inherent fiduciary duty requires that we act solely in our clients' best interest and adhere to standards of utmost integrity in our communications and transactions. These standards ensure that clients' interests are given precedence.

Accordingly, we have implemented extensive policies, guidelines, and procedures that promote ethical conduct and practices by all of our personnel. The foregoing has been compiled and is collectively referred to as our Code of Ethics. We adopted our Code of Ethics to specify and prohibit certain types of transactions deemed to create conflicts of interest (or perceived conflicts of interest), as well as to establish reporting requirements and enforcement procedures relating to personal transactions by our personnel.

Our Code of Ethics, which specifically deals with our fiduciary duty, professional standards, insider trading, personal trading, and gifts and entertainment, establishes our ideals for ethical conduct based upon fundamental principles of openness, integrity, honesty, and trust.

We will provide a copy of our complete Code of Ethics to any client or prospective client upon request.

Participation or Interest in Client Transactions

We do solicit our individual clients to purchase investment interest in the Fund. Moreover, as general partner of the Fund, we individually as well as our principals, affiliates, shareholders, members, partners, managers, directors, officers and employees may also be investors in the Fund. That being true, in such cases, we are recommending investment to clients that we have an investment, pecuniary, or financial interest and this is a conflict of interest. Please review the Fund's PPM for details regarding this and other pertinent conflicts of interest.

Personal Trading

Proprietary Trading

We may at times, buy or sell securities for our own accounts that we have also recommended to clients. We will always document any transactions that could be construed as a conflict of interest. To mitigate or

remedy any conflicts of interest or perceived conflicts of interest, we will monitor internal trading reports for adherence to our Code of Ethics.

Simultaneous Trading

From time to time, we may buy or sell investments for our own accounts at or around the same time as clients. In any instance where similar securities are purchased or sold, we will uphold our fiduciary duty by always ensuring that transactions are beneficial to the interest of our clients.

Moreover, due to the types of the investors in the Fund, we may trade in securities that are issued by investors in the Fund, which may create a conflict of interest. If we become aware of an investor's position with a publicly-traded company, we will add that company to our list of names in which we may not trade (our "restricted list"). The inability to make purchases in companies on the restricted list may lead to the loss of investment opportunities that are beneficial to the Fund.

Notwithstanding the foregoing, where permitted by applicable laws and the governing documents for the Fund, we may purchase securities or other assets on behalf of the Fund in which our principals, affiliates, shareholders, members, partners, managers, directors, officers and employees hold the same securities or other assets, subject to our Code of Ethics and other applicable policies and procedures. For more information regarding trade aggregation and allocation policies and procedures, please review Item 12, Brokerage Practices.

BROKERAGE PRACTICES (Item 12)

Selection and Recommendation

We typically recommend account custodians to our clients. We recommend account custodians after evaluating several factors including but not limited to, fees and expenses, capability to execute, clear, and settle trades, reputation, breadth of investment products made available, access to securities markets and expertise in handling brokerage support processes. Client must mutually agree to utilize a custodian recommended by our firm.

We maintain a custodial services agreement with Charles Schwab & Co., Inc., (hereinafter, "Schwab"). Schwab is a registered broker-dealer, member of FINRA and SIPC and we are participants of Schwab's institutional services platform for independent investment advisors (known as Schwab Advisor Services®).

Our firm is independently owned and operated and not affiliated Schwab. Schwab provides brokerage, operational support and other custodial services to our firm. As a result of our established services agreement, cost implications, operational support, and custodial services provided, Schwab is recommended to clients who engage us for portfolio management services.

The prime broker for the Fund is M.S. Howells & Co (hereinafter, "M.S. Howells"). M.S. Howells is a registered broker-dealer and member of FINRA and SIPC. M.S. Howells is an introducing broker-dealer that does not carry accounts or hold funds; therefore, Pershing LLC provides both custodial and clearing services for the Fund.

Nonetheless, we reserve the right to use other or additional firms for custodial services.

1. Soft Dollar Benefits

As general partner of the Fund, we have entered into an agreement to generate soft dollars (or earn soft dollar credits) that will result from Fund related securities transactions. Under a soft dollar arrangement, a broker-dealer uses soft dollar credits (commission credits) from trades generated by the Fund to provide certain services, equipment, research or other items for the benefit of the Fund and that benefits our firm, principals, affiliates, members, managers, directors, officers and employees. In our case, the soft dollars credits generated will be used to obtain market research including trade analytical software and other products or services that generate market research, including research regarding optimal execution venues, trade volume, and analysis of trading strategies, among other things.

For Fund related securities transactions that generate soft dollar credits, we pay commissions that exceed the commission that another brokerage firm may have charged absent the soft dollar arrangement. This increase in cost is designed to compensate the broker-dealer for providing access to products or services that generate market research, etc. Although payments are generally higher, such payments are for eligible "research or brokerage services" that comply with safe harbor in Section 28(e) of the Securities Exchange Act of 1934, as amended.

The use of the Fund's brokerage transactions to obtain products and services related to market research creates potential conflicts of interest. In such instances, the Fund will not incur direct expenses for market research or certain other related products and services nor will the Fund decrease its fee assessment to investors. This arrangement creates a financial incentive for the Firm to enter into such agreements with brokerage firms based on the Fund's receipt of such eligible research or brokerage services. Nonetheless, we believe that the allocation of such products and services enhances the Fund's ability to obtain optimal execution, as well as other trading related benefits to support the Fund.

Furthermore, in alignment with our Code of Ethics, on a periodic basis, we analyze the quality of market research and brokerage services that the Fund receives versus the associated increase in trading costs. These reviews are conducted to make a good faith determination as to whether or not the soft dollar benefits are reasonable in relation to the value of the brokerage services, execution, and research provided to the Fund.

2. Brokerage for Client Referrals

We do not receive client referrals from third parties in exchange for using any particular broker-dealer.

3. Directed Brokerage

- (a) For portfolio management services, we generally recommend that clients utilize Schwab. Our service agreement with this account custodian is designed to maximize trading efficiencies and cost effectiveness on behalf of our clients and achieve the most favorable results relative to trading costs, allocation of funds, and rebalancing of client investments.
- (b) We also permit portfolio management clients to direct brokerage. If a client prefers a certain account custodian (broker-dealer), we will notify the account custodian of our advisor-client relationship and proceed accordingly. Clients are advised that there are typically greater costs associated with brokerage transactions pursuant to a directed arrangement.
- (c) For Fund related investment management transactions, we have entered into a directed brokerage arrangement with M.S. Howells. *Please review the details regarding this agreement under the Selection and Recommendation Section above.*

Order Aggregation Policy

When utilized, order aggregation (or block trading) allows us to execute equity trades in a more timely, efficient and equitable manner. We will aggregate trades where possible and when advantageous to clients. We typically aggregate trades among clients whose accounts can be traded at a particular account custodian (or broker-dealer).

Trade aggregation permits the trading of blocks of securities composed of assets from multiple client accounts. Clients participating in any aggregated transactions will receive an average share price and will be allocated on a pro rata basis among all accounts included in any such block. Additionally, transaction costs resulting from trade aggregations will be shared equally.

We have established the following aggregation (trading) policies, procedures, and restrictions to ensure alignment with our fiduciary responsibility and to mitigate any actual or potential conflicts of interest:

1. No associated person or employee of our firm shall prefer his or her own or any beneficial interest to that of an advisory client.
2. No associated person or employee of our firm shall buy or sell securities for his or her personal portfolio(s) where their decision is by reason of information obtained as a result of his or her employment unless the information is also available to the investing public on reasonable inquiry.
3. We maintain a list of all securities holdings and transactions for our firm, and anyone associated with our advisory practice with access to advisory recommendations. These holdings and transactions are reviewed on a regular basis by David L. Kanen, Chief Compliance Officer.
4. All clients are fully informed that certain individuals may receive separate compensation when effecting transactions during the implementation process.
5. We emphasize the client's unrestricted right to decline to implement any advice rendered, except in situations where the client grants our firm discretionary authority (and has not designated any restrictions).
6. Personal securities transactions in private placements and initial public offerings (IPOs) for associated persons and employees of our firm require pre-clearance by the chief compliance officer.

7. We require that all associated persons and employees act in accordance with applicable federal and state regulations governing our investment advisory practices.
8. Any associated person or employee not in observance of the foregoing policy will be subject to disciplinary action up to and including termination.

Transactions for Philotimo Fund, LP may be included in block transactions with client trades, pursuant to the following procedures:

Order Aggregation and Allocation Procedures

1. Policies for the aggregation of transactions shall be fully disclosed in this brochure (Form ADV Part 2) and separately to existing clients and the account custodian(s) or broker-dealer(s) through which such transactions will be placed;
2. We will not aggregate transactions unless we believe that aggregation is consistent with our duty to seek best execution (which includes the duty to seek best price) for our clients and is consistent with the terms of our investment advisory agreement with each client for which trades are being aggregated;
3. No advisory client will receive preferential treatment. We prepare a written allocation statement specifying the participating accounts in each aggregated order and the anticipated allocation among those clients if the order is filled in its entirety. If the order is partially filled, allocations will be made according to our judgment of the best interest for each client, taking into account such factors including (but not limited to) a client's available cash, whether a trade would have to be done as an odd lot, and the client's participation in previous block trades to determine which clients will be included in a block and how that block will be allocated (such allocation decisions will be documented). Accounts managed by our firm are of widely varying sizes, and many of the stocks selected our firm's management strategy are thinly traded and require weeks or months to buy; therefore, a pro-rata method of allocation would in most cases subject client accounts to prohibitively large transaction costs as a percent of the trade size;
4. Each client participating in a block trade will pay or receive the average price for all shares included in the transactions by our firm for such securities on that day, with transactions costs shared pro rata based on each client's participation in the transaction;
5. Our firm will receive no additional compensation of any kind as a result of the proposed aggregation;
6. Any changes to an allocation must treat each client fairly and equitably and must be explained in writing and approved by our chief compliance officer in a timely manner (generally no later than one hour) after the opening of the markets on the trading day following the day the order was executed; and
7. Our books and records will reflect each allocation and aggregation separately and will document the accounts participating in such order aggregation and subsequent allocation.

We review our trading policy on an annual basis, to ensure adequacy and fairness of the foregoing policy and related procedures.

Trade Away Securities Transactions (Trading Away)

As indicated, we may execute client trades and Fund related transactions through an account custodian (broker-dealer) that is not the specified account custodian. We refer to these broker-dealers as prime brokers. Moreover, the practice of executing trades with a broker-dealer firm other than the account custodian is referred to as "trading away". Please note that while the account custodian does not execute the trade, the account custodian does clear and settle the trade in the client's account.

Clients generally grant our authority to conduct trade away securities transactions upon executing the firm's investment management agreement or by separate agreement, if applicable. Additional fees apply to trade away securities transactions and when we trade away for clients there is an additional fee of \$18 charged by the account custodian for such transactions. This fee is in addition to any other transaction fees charged by the account custodian.

When contemplating trade away transactions, we evaluate whether any proposed transaction that would impose an additional fee is in the best interest of the client compared to other trading alternatives. Clients who have questions regarding trade away transactions should consult our chief compliance officer.

REVIEW OF ACCOUNTS (Item 13)

Periodic Reviews

Our criteria for reviewing client accounts are as follows:

1. Review of Portfolio Assets

Given a client's investment goals and objectives, we monitor client portfolios daily and rebalance as we deem appropriate. We also provide formal portfolio performance reviews no less than annually. Additionally, a performance review may be employed more frequently at the request of any client. Our chief compliance officer reviews the portfolios. Our reviews consist of on-going monitoring and analysis to determine whether client portfolios and strategies continue to align with the stated investment goals and objectives. If reallocation is necessary, we may buy or sell investments that align with a client's investment goals and objectives.

2. Review of Fund Assets

We review investments for the Fund on a real-time and continual basis. David Kanen reviews the performance of the Fund's investments to determine if performance conforms with the objectives and guidelines of the Fund. We reconcile transactions on a daily basis, but no formal reconciliation reports are issued to investors in the Fund.

3. Ongoing Evaluation of Alternative Investments

We provide ongoing monitoring and evaluation of a clients' holdings in alternative investments to ensure that the strategies continue to align with issuer's stated objectives and that the performance of a client's position conforms to the goal for which it was chosen.

Intermittent Review Factors

Intermittent reviews may be triggered by substantial market fluctuation, economic, business, or political events, or by changes in a client's financial status (such as retirement, termination of employment, relocation, or inheritance). **Clients are responsible for contacting us to initiate an intermittent review upon the occurrence of any of the foregoing events.**

Client Reports

Portfolio Management Clients

We do not issue separate written reports regarding client accounts. Clients will receive transaction confirmations from the account custodian shortly after executing purchases or sells. Additionally, the account custodian will send monthly account statements for each month in which there is activity. If there is no activity during any month, clients will receive account statements quarterly.

The Fund

The Fund administrator provides written acknowledgements to investors confirming subscriptions and redemptions and prepares monthly capital statements, which are made available to each investor. The capital statements indicate estimated capital balances and all subscription and redemption activity for the corresponding period. These statements are generated using information and data from the Fund's prime broker (i.e. qualified custodian). Investors also receive other reports including periodic fund performance reporting, snapshots, assets under management, annual audited financial statements and tax information. Investors in the Fund are to carefully review these statements and reports.

At least annually, we provide to each Fund investor, audited financial statements and information regarding valuations, profits, and losses. In addition, we provide each investor the relevant tax-related information. Each investor may also receive upon written request, at no charge, a copy of our Brochure, a copy of our proxy voting policy and procedures, and information regarding how we voted proxies for the Fund.

CLIENT REFERRALS AND OTHER COMPENSATION (Item 14)

Economic Benefits for Advisory Services

We do not have any arrangement to receive economic benefits from any third party for providing advisory services to our clients not already disclosed herein.

Compensation for Client Referrals

We do not compensate any person for referrals.

CUSTODY (Item 15)

Custodian of Assets

Our firm does not hold physical custody of client funds or securities. We require that qualified custodians hold client assets. For more information regarding the account custodian (broker-dealer) that services our accounts, please review Item 12, *Brokerage Practices*. Our firm has custody of client funds and securities because in our capacity as general partner to the Fund, we have access to such funds or securities. We also have indirect custody of client funds and securities because of our authorization and ability to deduct advisory fees directly from our clients' accounts. Nonetheless, we have implemented the safeguard requirements by requiring safekeeping of clients' funds and securities by a qualified custodian.

We also have indirect custody of client funds and securities due to utilizing asset movement authorizations to process account disbursements at a client's request. To ensure safekeeping of assets subject to movement authorizations, we have implemented the requisite account custodian procedures for safeguarding client assets.

Account Statements

Portfolio Management Services

Client account statements are mailed or sent electronically by the account custodian. Clients are advised to review account statements carefully, comparing asset values, holdings, activity, allocations, performance, and advisory fees on current statements to that in previously received statements, and confirmations.

Investment Management Services to the Fund

The Fund administrator provides account statements to us and sends official statements on behalf of the Fund to each investor's address of record, on a monthly basis. Additionally, the Fund is audited annually by an independent public accountant that is registered with and subject to regular inspection by the Public Company Accounting Oversight Board (PCAOB). Audited financial statements prepared in accordance with generally accepted accounting principles are sent to all investors within 120 days of the end of the Fund's fiscal year. Investors are urged to carefully review such audited financial statements and to compare them to any other reports received from us on behalf of the Fund.

INVESTMENT DISCRETION (Item 16)

Discretionary Authority

It is customary for our firm to exercise discretionary authority in order to manage and direct the investments of clients' accounts. This authority is granted upon execution of our investment management agreement. Discretionary authority is for the purpose of making and implementing investment decisions without prior consultation with clients. Investment decisions are made in accordance with the client's stated investment objectives and clients may at any time during our engagement, advise us in writing of any limitations on our authority. Clients may impose limitations on investing in securities in specific industries or countries, etc., and dollar amounts or percentage of investments in the foregoing. **Please note that all transactions for the Fund are implemented pursuant to discretionary authority.**

There are some instances where we may exercise non-discretionary authority in managing and directing clients' investments. Under non-discretionary authority, we will seek a client's consultation and approval (written or oral) prior to implementing investment strategies or decisions. This is not our general practice and this authority is generally only used for clients who specifically request non-discretionary authority.

VOTING CLIENT SECURITIES (Item 17)

Portfolio Management Clients

We vote securities (proxies) on behalf of clients. We will only cast proxy votes in a manner consistent with the best interest of clients. Absent special circumstances, which are fully described in our firm proxy voting policies and procedures, all proxies (including any mergers, acquisitions, tender offers, bankruptcy proceedings or other type events) will be voted consistent with guidelines established and described in the such voting policies and procedures, as may be amended from time-to-time. Clients may contact us to request information about how we voted proxies or to get a copy of our policies and procedures. *A brief summary of our firm's proxy voting policies and procedures is as follows:*

We are responsible for monitoring corporate actions, making voting decisions in the best interest of clients, and ensuring that proxies are submitted in a timely manner. Clients cannot direct our vote on a particular proxy solicitation. Clients can however, revoke our authority to vote proxies by providing written notice of such revocation.

Our proxy voting guidelines include many specific examples of voting decisions for the types of proposals that are most frequently presented, including: composition of the board of directors; approval of independent auditors; management and director compensation; anti-takeover mechanisms and related issues; changes to capital structure; corporate and social policy issues; and issues involving mutual funds.

Although our guidelines are followed as a general policy, certain issues are considered on a case-by-case basis and are based on the most relevant facts and circumstances. Since corporate governance issues are diverse and continually evolving, we devote an appropriate amount of time and resources to researching and monitor these changes.

The Fund

As general partner of the Fund, we will vote proxies in a manner that is in the best economic interest of the Fund.

Conflicts of Interest

There may be proxy voting conflicts that present in certain business or personal relationships, such as in the case of our clients and the Fund. In the event an affiliate and our clients have competing interest in the outcome of a particular vote, we will take the appropriate steps to ensure that the our proxy voting decisions are made in the best interest of all parties or we will abstain from voting to ensure that our votes are not the product of such conflict.

FINANCIAL INFORMATION (Item 18)

Balance Sheet Requirement

We do not require or solicit prepayment of more than \$1,200 in advisory fees per client, six (6) months or more in advance.

Discretionary Authority, Custody of Client Funds or Securities and Financial Condition

We exercise discretionary authority with respect to supervising and directing the investments in clients' accounts. All transactions for the Fund are implemented pursuant to discretionary authority. Moreover, our firm has custody of client funds and securities because in our capacity as general partner of the Fund, we have access to such funds or securities. Additionally, we have indirect custody of client funds and securities because of our authorization and ability to deduct advisory fees directly from clients' accounts. More importantly, we do not have any financial condition that will impair our ability to meet contractual commitments to clients.

Bankruptcy Petition Filings

Our firm has not been the subject of a bankruptcy petition at any time during the past ten (10) years.