

**Item 1 – Cover Page**

**EHRENKRANZ PARTNERS L.P.**

**375 Park Avenue**

**Suite 2802**

**(212) 891-8600**

**March 27, 2017**

This brochure provides information about the qualifications and business practices of Ehrenkranz Partners L.P. (the “Advisor”). If you have any questions about the contents of this brochure, please contact us at (212) 891-8625 or [tbrown@eplp.com](mailto:tbrown@eplp.com). The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority.

The Advisor is a registered investment adviser. Registration of an investment adviser does not imply any level of skill or training. The oral and written communications of an adviser provide you with information which you assess to determine whether to hire or retain an adviser.

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

**Item 2 – Material Changes**

There have been no material changes to the information provided in the February 12, 2016 update of the previous form of this ADV Part 2.

We currently offer information about our qualifications and business practices to clients on at least an annual basis. Clients will also receive a summary of any material changes to this and subsequent brochures as well as an offer to provide the complete Form ADV Part 2

within 120 days of the close of our business' fiscal year. We may provide other periodic updated information about material changes as required. If necessary, we will provide you with a new brochure based on changes or new information, at any time, without charge.

Currently, our brochure may be requested by contacting our General Counsel, Tinika Brown, at (212) 891-8625 or [tbrown@eplp.com](mailto:tbrown@eplp.com).

Additional information about the Advisor is also available via the SEC's web site [www.Advisorinfo.sec.gov](http://www.Advisorinfo.sec.gov). The SEC's web site also provides information about any persons affiliated with the Advisor who are registered, or are required to be registered, as investment Advisor representatives of the Adviser.

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#### **Item 4 – Advisory Business**

The Advisor was originally formed as a Delaware limited liability company on November 28, 2000 and converted to a Delaware limited partnership on May 20, 2013. The limited partners of the Advisor are Joel S. Ehrenkranz, Sanford B. Ehrenkranz, Amy G. Bermingham, Andrew Sommers, John B. Ehrenkranz, Patrick J. C. Shaw, Kurt F. Dudas and Hannah W. Mensch. The general partner of the Advisor is Ehrenkranz Partners GP LLC, a Delaware limited liability company that is owned by the Advisor's limited partners. Joel S. Ehrenkranz is the only owner who owns over 25% of the Advisor.

The Advisor acts as general partner to E&E Advisors L.P. and E Capital Management L.P. which are SEC registered investment advisors that serve as general partner to pooled investment vehicles which are privately placed and are not registered under the Investment Company Act of 1940, as amended. The Advisor also acts as the general partner of Acquisition Funds GP-L.P. (the "AFGP") that serves as the direct general partner of several domestic pooled investment vehicles (the "AF GP Funds") which are privately placed and are not registered under the Investment Company Act of 1940, as amended. One of the AFGP Funds allows for the continuous offering of interests at the AFGP's discretion; the other four are not continuously offered. The Advisor provides investment advisory services on a discretionary basis to the AFGP Funds as well as certain funds for which E Capital Management L.P. serves as general partner (collectively, the "Advisor Managed Funds") pursuant to a certain Privity Agreement between the Advisor and the general partners of the Advisor Managed Funds.

The Advisor also provides non-discretionary investment advisory services to non-affiliated high net worth individuals, trusts, charitable institutions, retirement accounts, foundations, family and sole member partnerships and limited liability companies and other private investment vehicles ("Advisory Clients").

The Advisor generally does not provide investment advice about specific securities, but allocates client assets to pooled investment vehicles or separate accounts managed by professional specialized fund managers and trading advisors that utilize the investment strategies discussed in Item 8. Asset allocations for Advisory Clients are developed and proposed based on each Advisory Clients' individual objectives and risk tolerances.

As of January 1, 2017, the Advisor oversees approximately \$10.1 billion of Advisory Client assets on a non-discretionary basis, as well as approximately \$366 million of assets invested in the Advisor Managed Funds and managed on a discretionary basis. Additionally, the Advisor serves as general partner to E&E Advisors L.P. and E Capital

Management L.P. which manage an aggregate of approximately \$4.4 billion of assets on a discretionary basis.

## **Item 5 – Fees and Compensation**

### **A. Advisor Managed Fund Clients**

All but two of the Advisor Managed Funds charges a fee of either 0.5% or 1.0% per annum (depending on the applicable fee class) of either capital committed to the Advisor Managed Fund, capital committed by the Advisor Managed Fund, net invested capital, or net asset value, depending on the individual Advisor Managed Fund and its investment cycle stage (the “Management Fee”). The Management Fee is negotiable in that it may be waived or reduced in the Advisor’s discretion. Management Fees are generally waived for certain affiliated investors or for certain classes of interests. The Management Fee is either calculated and paid quarterly in arrears or calculated annually in advance and deducted monthly in arrears. The Advisor receives 99% of these Management Fees through its interest in the AFGP and E Capital Management L.P. The remaining two Advisor Managed Funds, which serves as a feeder vehicles for investment in a single Portfolio Fund (defined below), pays an administrative fee equal to 0.50% per year.

The Advisor Managed Funds invest in non-affiliated pooled investment vehicles which may include limited partnerships, joint ventures, investment companies and other similar entities managed by professional specialized fund managers (“Portfolio Funds”). Assets invested in Portfolio Funds are separately subject to management and/or incentive fees which may be imposed by those entities directly and which are in addition to the Management Fees. The Advisor does not share in any such other fees.

### **B. Law Firm Advisory Clients**

Certain Advisory Clients of the Advisor are also clients of the Advisor’s affiliated law firm, Ehrenkranz & Ehrenkranz LLP (the “Law Firm, and such clients, “Law Firm Advisory Clients”). Law Firm Advisory Clients pay a legal retainer to the Law Firm (the “Law Firm Fee”) which is billed quarterly in advance. However, Law Firm Advisory Clients may elect in writing to have their Law Firm Fee automatically deducted on a quarterly basis from a capital account associated with their investment in certain funds managed by affiliates of the Advisor (“Ehrenkranz Funds”). The amount of the Law Firm Fee is negotiated and will vary among Law Firm Advisory Clients based on the anticipated amount of services provided to such Law Firm Advisory Client.

On a monthly basis, the Advisor will receive 50% of the Law Firm Fee paid by each Law Firm Advisory Client to the Law Firm for such month as an internal allocation pursuant to a Fee Allocation Agreement between the Advisor and the Law Firm. Each Law Firm Advisory Client is notified in writing of the percentage of its Law Firm Fee that will be allocated to the Advisor in advance of such allocation. The allocation percentage may be adjusted as mutually agreed by the Advisor and the Law Firm on a case by case basis upon prior disclosure of such adjustment to the Law Firm Advisory Client.

The Advisor and/or its affiliates may advise a Law Firm Advisory Client to invest in an Advisor Managed Fund or one or more Ehrenkranz Funds, each of which charges a separate annual Management Fee, as described in Item 5-A.

Law Firm Advisory Clients may be advised by the Advisor to invest directly in Portfolio Funds or other third party managers. Assets invested in Portfolio Funds or with third party managers are separately subject to management fees, incentive fees and/or other charges (e.g., brokerage fees, custody fees, administrative fees, etc.) which may be imposed by those entities directly and which are in addition to the Law Firm Fee. The Advisor and the Law Firm do not share in any such other fees.

The services of the Advisor may be terminated by the Law Firm Advisory Client or the Advisor at any time. The Law Firm Advisory Client will receive a pro rata refund of any prepaid Law Firm Fees calculated from the date of termination.

Effective as of July 1, 2016, the Advisor's policy is to treat all new clients as Direct Advisory Clients (as defined below) unless an exception is approved by the Advisor's Management Committee.

### **C. Direct Advisory Clients**

Certain Advisory Clients of the Advisor ("Direct Advisory Clients") pay a fee to the Advisor based on specific assets advised upon by the Advisor (the "Advisory Fee"). The Advisory Fee is a negotiated fee that generally varies based on the total size of the assets to be managed and the complexity or specialized nature of the proposed investment program. The Advisory Fee is calculated and charged in the manner set forth in such client's Advisory Agreement or other similar documentation. Generally, the Advisory Fee is billed quarterly in advance. Direct Advisory Clients may elect in writing to have their Advisory Fee automatically deducted on a quarterly basis from a capital account associated with their investment in certain Ehrenkranz Funds.

The Advisor and/or its affiliates may advise a Direct Advisory Client to invest in an Advisor Managed Fund or one or more Ehrenkranz Funds, each of which charges a separate annual

Management Fee, as described in Item 5-A. Assets invested in Advisor Managed Funds and Ehrenkranz Funds are excluded from the asset base upon which the Advisory Fee is calculated if such assets are subject to a Management Fee within the Fund.

Direct Advisory Clients may be advised by the Advisor to invest in Portfolio Funds or with other third party managers. Assets invested in Portfolio Funds or with third party managers are separately subject to management fees, incentive fees and/or other charges (e.g., brokerage fees, custody fees, administrative fees, etc.) which may be imposed by those entities directly and which are in addition to the Advisory Fee. The Advisor does not share in any such other fees.

Direct Advisory Clients that also receive legal services from the Law Firm will have a portion (as mutually agreed upon by such Direct Advisory Client and the Advisor) of their Advisory Fee internally allocated to the Law Firm pursuant to a Fee Allocation Agreement between the Advisor and the Law Firm. Each Direct Advisory Client is notified in writing of the portion of its Advisory Fee that will be allocated to the Law Firm in advance of such allocation. The allocation amount may be adjusted by mutual agreement between the Advisor and the Law Firm on a case by case basis upon prior disclosure of such adjustment to the Direct Advisory Client.

The services of the Advisor may be terminated by the Direct Advisory Client or the Advisor at any time. The Direct Advisory Client will receive a pro rata refund of any prepaid Advisory Fees calculated from the date of termination.

Items 8 and 12 further discuss factors that the Advisor considers in recommending Portfolio Funds or other third party managers for direct investments by clients.

#### **D. Other Compensation**

The Advisor receives 0.25% of the net fees received by each of E Capital Management L.P., Acquisition Funds GP-L.P. and E&E Advisors L.P. in respect of its interest as a general partner of those entities.

#### **Item 6 – Performance-Based Fees and Side-By-Side Management**

The Advisor does not charge any performance-based fees (fees based on a share of capital gains on or capital appreciation of the assets of a client). Compensation from Advisory Clients and Advisor Managed Fund Clients does vary in structure and amount as discussed in Item 5. This may cause the appearance of a conflict of interest when advising Advisory Clients on investment allocations between external managers and Advisor Managed Fund Clients or when discussing allocations of potential investments among Advisory Clients.

The Advisor mitigates these potential conflicts of interest by fully disclosing relevant fee structures to Advisory Clients and by entering into non-discretionary advisory arrangements with Advisory Clients. Additionally, potential conflicts of interest relating to allocation of investments are addressed by the Advisor's Allocation Policy as set forth in its Compliance Manual which generally provides that when an investment opportunity is suitable for more than one Advisory Client or Advisor Managed Fund (each a "Client" and, collectively, the "Clients"), the Investment Committee must take into consideration a number of factors including, but not limited to: i) investment and volatility objectives, ii) leverage parameters; iii) total capitalization, iv) liquidity requirements; v) the percentage of the Client's assets that is invested in a similar strategy and vi) impact of the investment on the Client's overall portfolio. The application of these and other considerations may result in different allocation decisions depending on the particular facts and circumstances in existence at the time the allocation decisions are made and may or may not result in a pro rata allocation of limited investment capacity among all Clients for whom the investment would be suitable. Additionally, in the event that an investment opportunity is equally suitable for both an Advisory Client and an Advisor Managed Fund, the Advisor's policy is to first allocate such opportunity to the Advisor Managed Fund, as it benefits multiple clients. To the extent that there is additional capacity, the Advisor will allocate the remaining opportunity among a list of interested Advisory Clients on a pro rata basis based on the amount of assets under management with the Advisor.

### **Item 7 – Types of Clients**

The Advisor provides portfolio management services to high net worth individuals, individual retirement accounts and self-directed retirement plans, charitable institutions, foundations, private investment vehicles (including Advisor Managed Funds and any future investment pools formed by the Advisor or its affiliates), family partnerships, family and sole-member limited liability companies and trusts.

The partners of the Advisor discuss new client relationships prior to the commencement of any services. The Advisor has a formal client on-boarding process that requires each new client to receive appropriate documentation from the Advisor. Prior to establishing a new client relationship, the Advisor also requires that new Advisory Clients provide documentary verification of identity and address.

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

Investing in securities involves a high degree of risk, including the risk that the entire amount invested may be lost. Clients should be prepared to bear this risk. While the



Advisor does not provide investment advice about specific securities, it allocates Advisory Client assets on a non-discretionary basis to Ehrenkranz Funds and/or third party managers (which may include Portfolio Funds held directly by Ehrenkranz Funds) and Advisor Managed Fund assets on a discretionary basis to Portfolio Funds with the goal of creating a portfolio of investments that targets attractive rates of return given each clients' tolerance for risk and volatility.

It is the responsibility of the Advisor to identify and research third party managers to satisfy itself as to the suitability of the terms and conditions relating to the investment and to allocate and reallocate Client assets among such managers. The Advisor allocates Client assets among third party managers using its knowledge and experience to assess the capabilities of those managers and to determine the optimal mix of investment styles for each Client's investment objectives. Unless otherwise disclosed, the Advisor considers numerous factors in evaluating and selecting managers, including, but not limited to, the manager's reputation and integrity, depth and continuity of its investment team, its ability to implement its stated investment strategy, the consistency of past returns and capital under management, amount of leverage used, the risk controls in place, and the level of personal investment by the manager's investment team.

Varying portions of Client assets are allocated among the following investment strategies depending on client liquidity needs, risk tolerance, tax position and investment goals, as well as overall market conditions. The core strategies recommended and utilized by the Advisor and their attendant risks are discussed below. It should be noted, however, that the following disclosure is only intended to highlight the material risks associated with each investment strategy and is not a comprehensive disclosure of all risks associated with such strategies. The offering documents provided by the Advisor or Portfolio Fund Manager should be reviewed for a comprehensive discussion of all investment risks.

## **INVESTMENTS IN EHRENKRANZ FUNDS:**

**Multiple Levels of Fees and Expenses** – By investing in Portfolio Funds indirectly through an Ehrenkranz Fund, the investor bears asset-based fees of both the Ehrenkranz Fund and the Portfolio Fund as well as any performance-based fees of the Portfolio Funds. Thus, investors in the Ehrenkranz Fund may be subject to higher operating expenses than if he or she invested in a Portfolio Fund directly.

**The Advisor Will Not Control the Portfolio Funds** – The Advisor does not and will not control the Portfolio Funds, and there can be no assurances that Portfolio Funds will be managed in a manner consistent with the Ehrenkranz Fund's investment objective.

**Portfolio Funds May be Difficult to Value** - The valuation of the Ehrenkranz Fund's investments in Portfolio Funds is ordinarily determined based upon valuations calculated by the Advisor based on information provided by the Portfolio Funds and their auditors. Although the Advisor reviews the valuation procedures used by the Portfolio Funds, the Advisor may not be able to confirm or review the accuracy of such valuations.

**Loans to Affiliates** - The Ehrenkranz Funds that invest in private equity have entered into an agreement whereby each may borrow or lend funds from the other at market rates. In the event that the borrowing Ehrenkranz Fund defaults on its repayment of the loan, the lending Ehrenkranz Fund will pursue such legal remedies to enforce its rights as are determined at that time to be appropriate under the circumstances to recover the amount it is owed. However, there is no guarantee that the lending Ehrenkranz Fund will be repaid in full.

**Risks Associated with Single Portfolio Fund** - An Ehrenkranz Fund that invests in a single Portfolio Fund will have a concentrated holding in a single manager with a single investment strategy. Accordingly, an investment in such Ehrenkranz Fund will be subject to greater volatility, risks and market fluctuations than an investment in a portfolio of managers representing a broader range of strategies, sectors or industries. In addition, the return on an investment in such Ehrenkranz Fund will be substantially adversely affected by the unfavorable performance of the Portfolio Fund or the sector in which the Portfolio Fund invests. There can be no assurance that the future performance of the Portfolio Fund and its investments will be positive or result in rates of return that are consistent with historical performance or market indices.

#### **CASH/FIXED INCOME:**

Cash/Fixed Income investments include positions cash, cash equivalents, corporate bonds, government bonds and agency debt, and municipal bonds designed to achieve fixed income returns with very low volatility.

**Fixed Income Risks** - The valuation of fixed-income securities will change in response to fluctuations in interest rates and perceived credit risk. Except to the extent that values are independently affected by currency exchange rate fluctuations, when interest rates decline, the value of fixed-income securities generally can be expected to rise. Conversely, when interest rates rise, the value of fixed-income securities generally can be expected to decline.

Investments in fixed income are also subject to the credit risk of losing capital if the issuer defaults or is unable to make further principal or interest payments.

A Portfolio Fund or client may invest in zero coupon bonds and deferred interest bonds, which are debt obligations issued at a significant discount from face value. The original discount approximates the total amount of interest the bonds will accrue and compound over the period until maturity of the first interest accrual date at a rate of interest reflecting the market rate of the security at the time of issuance. While zero coupon bonds do not require the periodic payment of interest, deferred interest bonds generally provide for a period of delay before the regular payments of interest begins. Such investments experience greater volatility in market value due to changes in interest rates than debt obligations that provide for regular payments of interest.

### **NON-EQUITY CORRELATED/ABSOLUTE RETURN:**

Non-equity correlated and/or absolute return strategies include hedged or event driven strategies that are used to achieve returns that are intended to have low correlation to equity market movements. These strategies include, but are not limited to distressed debt, hedged and unhedged credit, merger, statistical and capital structure arbitrage, market-neutral equity and macro and quantitative model driven strategies.

**Arbitrage and Market-Neutral Strategy Risks** - The success of an arbitrage or market neutral strategy depends on the ability of the Portfolio Fund Manager to identify overvalued and undervalued investment opportunities and to exploit price discrepancies in the capital markets. Identification and exploitation of the trading strategies to be pursued by the Portfolio Fund Managers involves uncertainty. No assurance can be given that the Portfolio Fund Manager will be able to identify correctly trading opportunities or exploit price discrepancies in the capital markets. A reduction in the pricing inefficiency of the markets in which the Portfolio Fund Manager invests will reduce the scope for the investment program of the Portfolio Fund. In the event that the perceived mispricings underlying the arbitrage positions of the Portfolio Fund Managers were to fail to converge toward, or were to diverge further from, relationships expected by the Portfolio Fund Manager, the Portfolio Funds may incur losses. The arbitrage strategies of the Portfolio Fund Manager may result in greater portfolio turnover and, consequently, greater transaction costs for the Portfolio Funds. Investors in this strategy may be adversely affected by unforeseen events involving such matters as changes in market liquidity, interest rates or the credit status of an issuer, forced redemptions of securities or acquisition proposals.

**Distressed Securities Risks** - A Portfolio Fund Manager, on behalf of a Portfolio Fund, may invest in distressed securities. These securities are in transition, out of favor, financially leveraged or troubled and may be or have recently been involved in major strategic actions such as a restructuring, bankruptcy, reorganization or liquidation. As a result, these securities are likely to be particularly risky investments although they also may offer the

potential for correspondingly high returns. Such companies' securities may be considered speculative, and the ability of such companies to pay their debts on schedule could be affected by adverse interest rate movements, changes in the general economic climate, economic factors affecting a particular industry, or specific developments within such companies. In addition, there is no minimum credit standard that is a prerequisite to a Portfolio Fund's investment in any instrument, and a significant portion of the obligations and preferred stock in which a Portfolio Fund invests may be less than investment grade or unrated by a recognized ratings agency

**Credit Related Risks** – Portfolio Funds may invest in corporate and government debt obligations. The market value of debt securities generally tends to decline as interest rates increase and, conversely, increases as interest rates decline. Debt obligations are subject to the risk of an issuer's inability to meet principal and interest payments on the obligations, i.e., credit risk. The Portfolio Fund Manager may actively expose the Portfolio Fund to credit risk. Additionally, the central banks and, in particular, the U.S. Federal Reserve, have recently taken unprecedented steps in an effort to resolve the recent "credit crisis." It is impossible to predict if, how, and to what extent the United States and other governments may further intervene in the credit markets. Such intervention may be contrary to what the Portfolio Fund Manager would predict from an "economically rational" perspective.

Certain Portfolio Fund Managers may also engage in short selling debt securities. Short selling involves selling securities which are not owned by the short seller and borrowing them for delivery to the purchaser, with an obligation to replace the borrowed securities at a later date. Short selling allows the investor to profit from a decline in market price to the extent such decline exceeds the transaction costs and the costs of borrowing the securities. The extent to which the Portfolio Fund engages in short sales will depend upon the Portfolio Fund Manager's investment strategy and opportunities. A short sale creates the risk of a theoretically unlimited loss, in that the price of the underlying security could theoretically increase without limit, thus increasing the cost to the Portfolio Fund of buying those securities to cover the short position. There can be no assurance that the Portfolio Fund will be able to maintain the ability to borrow securities sold short. In such cases, the Portfolio Fund can be "bought in" (i.e., forced to repurchase securities in the open market to return to the lender). There also can be no assurance that the securities necessary to cover a short position will be available for purchase at or near prices quoted in the market. Purchasing securities to close out a short position can itself cause the price of the securities to rise further, thereby exacerbating the loss.

A Portfolio Fund may also utilize financial instruments, both for investment purposes and for risk management purposes in order to (i) protect against possible changes in the market value of the Portfolio Fund's investment portfolios resulting from fluctuations in

the securities markets and changes in interest rates; (ii) protect the Portfolio Fund's unrealized gains in the value of the Portfolio Fund's investment portfolio; (iii) facilitate the sale of any such investments; (iv) enhance or preserve returns, spreads or gains on any investment in the Portfolio Fund's portfolio; (v) hedge the interest rate or currency exchange rate on any of the Portfolio Fund's liabilities or assets; (vi) protect against any increase in the price of any securities the Portfolio Fund anticipates purchasing at a later date or (vii) for any other reason that the Portfolio Fund Manager deems appropriate.

**Macro and Quantitative Model Risks** – Portfolio Funds may invest on an opportunistic basis, seeking to take advantage of trends in the market determined by macroeconomic analysis or quantitative models. These opportunistic strategies may rely on the ability of Portfolio Fund Managers to identify trends in the market and to invest in such trends before other market participants, and then sell before the trend ends or reverses. Flaws in a Portfolio Fund Manager's subjective opinions of market conditions or in the quantitative model relied on by such Portfolio Fund Manager could result in substantial losses for the Portfolio Fund. Even if the Portfolio Fund Manager's predictions are accurate, as market dynamics shift over time, a previously highly successful model or market view can become outdated or inaccurate, perhaps without the Portfolio fund Manager recognizing that fact before substantial losses are incurred.

## **HEDGED EQUITIES:**

Hedged equities include hedge fund structures used to deploy many different strategies involving long and short stock positions. Short positions are used as a component of long investing to reduce volatility and to seek attractive long-term returns.

**Risks Associated with Hedging** - While stocks and other equity securities have historically been a leading choice of long-term investors, they fluctuate in value, often based on factors unrelated to the value of the issuer of the securities, and such fluctuations can be pronounced. Changes in the value of investment securities held by a Portfolio Fund will result in changes in the value of an investor's interest in such Portfolio Fund.

Because different types of stocks tend to shift in and out of favor depending on market and economic conditions, the performance of a Portfolio Fund investing primarily in large capitalization stocks may be lower or higher than that of a Portfolio Fund investing primarily in smaller capitalization stocks. Moreover, the investment returns of a Portfolio Fund investing in stocks that emphasize particular investment characteristics, such as "value" or "growth," may fluctuate independently from the broad stock market as represented by the S&P 500 Index, and may demonstrate greater volatility over short or extended periods relative to the broad market.

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

#### **MANAGED EQUITIES:**

These positions include separately managed accounts or pooled vehicles that invest in equity securities to achieve market returns over a full cycle.

**Managed Account Allocation Risks** – Direct investments in managed accounts that use margin expose an investor to theoretically unlimited liability, and it is possible, if leverage is used, that the investor could lose more in a managed account than the investor had allocated to such managed account.

**Concentration and Volatility Risks** - Certain Portfolio Fund Managers may acquire relatively large positions (based on the Portfolio Fund's total assets) in a small number of companies. As a result, a Portfolio Fund will be significantly affected by the performance of a relatively small number of issuers.

Although the Advisor or its affiliates will not permit more than 25% of the net asset value of an Ehrenkranz Fund (determined at the time of an investment) to be invested in the investment program of any single Portfolio Fund Manager, a significant amount of the Ehrenkranz Fund's assets could still be invested with a limited number of Portfolio Fund Managers and a limited number of Portfolio Funds. As a result, the Ehrenkranz Fund will be more vulnerable to events affecting a single Portfolio Fund Manager's investment choices and management style. Furthermore, because the Ehrenkranz Fund invests in a

limited number of Portfolio Funds, the Ehrenkranz Fund will be more vulnerable to under-performance of a particular Portfolio Fund than a fund investing in a larger number of funds. Therefore, profitability of the Ehrenkranz Fund could be significantly affected by the under-performance of a limited number of Portfolio Fund Managers and Portfolio Funds.

### **ASIA EQUITIES:**

Long and short equity managers investing in Asian markets including India, China, Korea and other countries.

**Risks Associated with Geographic Concentration in Asian Markets.** Targeting specific geographic regions could hurt the performance of a fund or cause the fund's performance to be more volatile than a more geographically diversified fund. Investment performance will be closely tied to economic, regulatory and political conditions within a relatively small number of countries or regions. These conditions could create additional investment risks which include but are not limited to: i) potentially unfavorable amendments to foreign exchange regulations and tax laws applicable to direct investments by non-resident investors in equity and debt securities of domestic companies, ii) the continuation of significant volatility in Asian securities markets, iii) the lack of regulatory oversight in certain Asian countries with respect to fraudulent and unfair trading practices, iv) the risk of adverse fluctuations in the exchange rate between the currency of the locale of the foreign exchange and U.S. dollars which could result in a loss of potential profits if a Portfolio Fund is not appropriately hedged, v) less publicly available information about companies as a result of less stringent disclosure and accounting standards and vi) the imposition of currency controls by an Asian government which may negatively impact performance and liquidity in a Portfolio Fund by preventing capital to be removed from a country.

### **PRIVATE EQUITY/DIRECT LENDING/REAL ESTATE RISKS:**

Investments in a diverse group of high quality private equity Portfolio Funds with an objective of generating attractive, long-term, risk-adjusted net returns.

**Nature of Portfolio Investments** - Certain of the portfolio companies in which Portfolio Funds invest may experience financial or operating difficulties that may never be overcome. Portfolio Funds may utilize highly speculative investment techniques, including a significant amount of leverage, highly concentrated portfolios, workouts and startups and control positions.

In addition, portfolio companies of Portfolio Funds may be in an early stage of development, may not have a proven operating plan or history, may be operating at a loss

or have significant variations in operating results, may rely on a few key individuals, may be engaged in a rapidly changing business with products subject to a substantial risk of obsolescence, may require substantial additional capital to support their operations to finance expansion or to maintain their competitive position or may otherwise have a weak financial condition. Such portfolio companies also may face intense competition, including competition from companies with greater financial resources, more extensive development, manufacturing, marketing and other capabilities, and a larger number of qualified managerial and technical personnel.

Portfolio Funds may also make investments in companies in which they may have limited or no influence. As a result, Portfolio Funds may not be in a position to limit or otherwise protect the value of their investment in their portfolio companies.

Portfolio Funds may also make loans to companies under loan documentation that affords the Portfolio Fund with limited or no affirmative or negative covenant protection. As a result, Portfolio Funds may not be in a position to limit or otherwise protect the value of their investment in their portfolio companies.

**Direct Lending Risks Generally** - The value of a Portfolio Fund's investments in debt instruments may be detrimentally affected to the extent a borrower defaults on its obligations, there is insufficient collateral and/or there are extensive legal and other costs incurred in collecting on a defaulted instrument. In addition, certain debt instruments may be supported, in whole or in part, by personal guarantees made by the borrower or a relative, or guarantees made by a corporation affiliated with the borrower. The amount realizable with respect to a debt instrument may be detrimentally affected if a guarantor fails to meet its obligations under the guarantee. Moreover, the value of collateral supporting such debt instruments may fluctuate. In addition, active lending/origination by a Portfolio Fund may subject it to additional regulation, as well as possible adverse tax consequences to a Portfolio Fund and/or the Partnership. Finally, there may be a monetary as well as a time cost involved in collecting on defaulted debt instruments and, if applicable, taking possession of and subsequently liquidating various types of collateral. The fact that a loan is secured does not guarantee principal and interest payments according to the loan's terms, or at all, or that the Portfolio Fund will be able to collect on the loan should it be forced to enforce its remedies. Portfolio Fund investments that are subordinated investments may be characterized by greater credit risks than those associated with the senior obligations of the same issuer. Portfolio Funds may also acquire or invest in equity securities along with their investments in debt instruments; however, such equity interests may not appreciate in value and may decline in value.



**Real Estate Risks Generally** - Investments in real estate are subject to the risks inherent in the ownership of real estate assets. These risks include, but are not limited to, general and local economic conditions, local real estate conditions, risks due to dependence on cash flow, the supply and demand for properties, risks and operating problems arising out of the presence of certain construction materials, the financial resources of tenants, buyers and sellers of real estate assets, changes in availability of debt financing, energy and supply shortages, changes in building, environmental and other laws, changes in real property tax rates, changes in interest rates and the availability of mortgage funds which may render the sale or refinancing of properties difficult or impracticable, negative developments in the business economy that depress the housing market, environmental liabilities, uninsured casualties, epidemics, terrorist attacks, acts of God and other factors which are beyond the control of the Advisor or the Portfolio Fund.

**Risks Associated with Senior Living Properties** – Portfolio Funds that invest in senior living properties are subject to the risks incident to the ownership and operation of real estate and real-estate related businesses and assets; risks associated with ground-up development of senior living properties and opportunistic acquisitions of existing facilities; reliance on third-party managers and operators; increased competition and overbuilding in the senior living industry; the risk of decreased demand and the inability of seniors to sell real estate, including downturns in the housing markets generally; the risk of litigation associated with senior living and healthcare services; the risk of increase in market interest rates; development, construction and renovation risks; the impact of government regulations; potential environmental liabilities; the risk of harmful mold and other air quality issues; risks associated with the Americans with Disabilities Act and similar laws; and casualty and condemnation risks relating to real estate generally.

**Economic, Political and Legal Risks** – The Portfolio Funds are expected to make investments in various global markets, both developed and developing. The economies of individual countries may differ with respect to growth of gross domestic product or gross national product, rate of inflation, interest rate environment, capital reinvestment, resource self-sufficiency and balance of payments position. Investors should note that each country has different standards of regulation with respect to matters such as government approval requirements, insider trading rules, restrictions on market manipulation, shareholder proxy requirements and timely disclosure of information. In addition, reporting, accounting and auditing standards of different countries vary, and little information may be available to investors in securities or other assets of issuers. Other potential risks that could have an adverse effect on investments include (depending on the country involved) nationalization, expropriation, confiscatory taxation, negative diplomatic developments and political or social instability. In addition, the laws of various countries governing business organizations, bankruptcy and insolvency may make legal action

difficult and provide little, if any, legal protection for investors, including the Portfolio Funds.

**Unpredictability of Distributions** - Return of capital and realization of gains, if any, on investments will generally occur only upon the distribution or other disposition by the Portfolio Funds of their holdings, which may not occur (if at all) until several years after the Portfolio Funds' initial investments or the Advisor Managed Fund's investment in such Portfolio Funds. The Advisor is not expected to have any influence over the timing of distributions made by the Portfolio Funds. Such distributions are likely to be unpredictable and may occur earlier than or later than anticipated by the Advisor. In addition, Portfolio Funds may distribute securities in kind that are illiquid. Investors should not expect significant distributions, if any, for a period of years after their investment in an Advisor Managed Fund is made.

**Illiquid Investments** - An investment in an Advisor Managed Fund requires a long-term commitment with no certainty of return. The Portfolio Funds are likely to require several years to invest their capital commitments, including those from the Advisor Managed Fund. Each investment by a Portfolio Fund is also likely to take at least several years to mature to a point where it can be disposed of by the Portfolio Funds, if ever. The Portfolio Funds typically make investments that are subject to legal or other restrictions on transfer or for which no liquid market exists. The Portfolio Funds may not be able to sell such investments when they desire to do so or to realize what they perceive to be their fair value in the event of a sale. The Advisor will not be able to cause the Portfolio Funds to effect any sale even if an opportunity for such sale exists.

**Investments Longer than Term** - The Portfolio Funds may make investments that may not be advantageously disposed of before the date that such Portfolio Funds will be dissolved (either by expiration of their terms or otherwise). As a result, upon the dissolution of the Portfolio Funds, the fund managers may need to cause the Portfolio Funds to dispose of their investments at a disadvantageous price.

**Leverage** - It is expected that certain investments made by the Portfolio Funds will utilize a leveraged capital structure, in which case a third party would be entitled to cash flow generated by such investments prior to an Advisor Managed Fund receiving a return. While such leverage may increase returns on the funds available for investment by the Portfolio Funds, it also will increase the risk of loss as the leveraged capital structures of such companies will increase exposure of these companies to adverse economic factors such as rising interest rates, reduced cash flows, fluctuations in exchange rates, inflation, downturns in the economy or deterioration in the condition of the company or its industry. If a Portfolio Fund defaults on secured indebtedness, the lender may foreclose on the

underlying investment and the Portfolio Fund could lose its entire interest in such investment. In addition, recourse debt, which the Portfolio Funds reserve the right to obtain, may subject other assets of the Portfolio Fund and the Advisor Managed Fund's investment to risk of loss.

**Financial Market Fluctuations** - General fluctuations in the market prices of securities may affect the value of the investments that will be held by the Portfolio Funds or their ability to dispose of investments through a public offering. Instability in securities markets may also increase the risks inherent in the Portfolio Funds' investments. The ability of the companies in which the Portfolio Funds invest to refinance debt securities or credit facilities may depend on the ability to sell new securities in the debt and equity markets, to borrow from banks or otherwise.

**Possible Lack of Diversification** - The Portfolio Funds may participate in a limited number of investments and, as a consequence, the aggregate return of a Portfolio Fund may be substantially adversely affected by the unfavorable performance of even a single investment. Investors have no assurance as to the degree of diversification in a Portfolio Fund's investments, either by geographic region or asset type.

**Control Positions** - The Portfolio Funds in which an Advisor Managed Fund invests may take control positions in companies. The exercise of control over a company imposes additional risks of liability for environmental damage, product defects, failure to supervise management, violation of governmental regulations and other types of liability in which the limited liability generally characteristic of business operations may be ignored. If these liabilities were to occur, the Advisor Managed Fund would likely suffer losses on its investments. The exercise of control over a company can also substantially restrict the ability of the Portfolio Fund to dispose of the position at such time as it otherwise would have if it did not control the company.

**Currency Exchange Risk Exposure of the Portfolio Funds** - Certain of the Portfolio Funds and their investments may be denominated in currencies other than U.S. dollars. These investments involve special risks and may be significantly affected by changes in currency exchange risks and the costs of converting, or ability to convert, between the various currencies involved. The Advisor will not have influence over the creation or implementation of strategies, if any, that managers of the Portfolio Funds use to protect the economic value of their investments against currency exchange rate fluctuations, and there can be no assurance that any such strategy will be successful.

**Growth Equity Investing** - The Portfolio Funds may focus on growth equity investments. While growth equity investments offer the opportunity for significant gains, such investments also involve a high degree of business and financial risk and can result in

substantial or total losses. Among these risks are the general risks associated with investing in companies at an early or growth-stage of development or with little or no operating history, companies with substantial variations in operating results from period to period, companies with the need for substantial additional capital to support expansion or to achieve or maintain a competitive position and companies dependent on new or developing technology. Furthermore, companies at an early or growth-stage of development may face intense competition, including competition from companies with greater financial resources, more extensive development, manufacturing, marketing and service capabilities and a larger number of qualified managerial and technical personnel. A growth equity-focused Portfolio Fund will likely make investments in portfolio companies which rely upon rapidly changing technologies. Therefore, technological obsolescence and other technology risks may adversely impact the performance of these portfolio companies.

**High Yield, Low or Unrated Securities** – Portfolio Fund investments in “high yield” bonds and preferred stock or debt securities may be unrated or rated in the lower categories by the various credit rating agencies (or in comparable non-rated securities). Securities in the lower categories are subject to greater risk of loss of principal and interest than higher-rated securities and are generally considered predominantly speculative with respect to the issuer’s capacity to pay interest and repay principal. The yields and prices of such securities may tend to fluctuate more than those of higher-rated securities. The market for lower-rated securities is thinner and less active than that for higher-rated securities, which can adversely affect the prices at which these securities can be sold.

## **ENERGY FUND RISKS**

Investments in a select group of general or limited partnerships or other entities that engage in privately negotiated, equity-related and permitted debt investments in energy, power and natural resources assets and companies with the goal of generating attractive risk-adjusted net returns.

**Volatility of Commodity Prices** - The performance of investments of the Portfolio Funds may be substantially dependent upon prevailing prices of oil, natural gas, coal and other commodities (such as steel). Historically, the markets for oil and natural gas have been volatile, and such markets are likely to continue to be volatile in the future. Commodity prices have been, and are likely to continue to be, volatile and subject to wide fluctuations in response to many factors including but not limited to: (i) relatively minor changes in the supply of and demand for oil, gas or coal; (ii) market uncertainty; (iii) political conditions in international commodity producing regions; (iv) the extent of domestic production and importation of oil, gas or coal in certain relevant markets; (v) the foreign supply of oil and

natural gas; (vi) the price of foreign imports; (vii) the price and availability of alternative fuels; (viii) the level of consumer demand; (ix) the price of steel and the outlook for steel production; (x) weather conditions; and (xi) the competitive position of oil, gas or coal as a source of energy as compared with other energy sources.

**Regulatory Risk** - The energy and natural resources industries are subject to comprehensive United States and non-U.S. federal, state and local laws and regulations. Present, as well as future, statutes and regulations could cause additional expenditures, decreased revenues, restrictions and delays that could materially and adversely affect the Portfolio Funds.

**Regulatory Approvals** - The Portfolio Funds may invest in companies that they believe have obtained all material energy- and natural resources-related United States and non-U.S. federal, state, local approvals, if any, required as of the date thereof to acquire and operate their facilities. In addition, the Portfolio Funds may make investments that may require the consent or approval of applicable regulatory authorities in order to acquire or hold particular investments. There can be no assurance that a Portfolio Fund investment will be able (i) to obtain all required regulatory approvals that it does not yet have or that it may require in the future; (ii) to obtain any necessary modifications to existing regulatory approvals; or (iii) to maintain required regulatory approvals. Delay in obtaining or failure to obtain and maintain in full force and effect any regulatory approvals, or amendments thereto, or delay or failure to satisfy any regulatory conditions or other applicable requirements, could prevent operation of the facility or sales to third parties or could result in additional costs to a Portfolio Fund investment.

**Drilling, Exploration and Development Risks** - The Portfolio Funds may invest in businesses that engage in oil and gas exploration and development, a speculative business involving a high degree of risk and the use of new technologies. In addition, in making such investments, a Portfolio Fund must rely on estimates of oil and gas reserves. The process of estimating oil and gas reserves is complex, requiring significant decisions and assumptions in the evaluation of available geological, geophysical, engineering and economic data for each reservoir. As a result, such estimates are inherently imprecise.

#### **MONEY MARKET FUNDS:**

The Advisor may invest the cash of an Advisor Managed Fund in a money-market fund in order to maintain exposure to the market while managing cash on a short term basis.

**Risks Associated with Money Market Funds.** Although money market funds typically invest in low-risk instruments such as certificates of deposit, treasury bills and short-term commercial paper, there can be no guarantee of returns. Furthermore, the returns

typically generated by these investments tend to be relatively low. Fees charged by the money market funds, which are indirectly paid for by investors in an Advisor Managed Fund that invests in a money market fund, can further diminish the return on investment. Additionally, some money market funds are not government insured.

#### **Item 9 – Disciplinary Information Relating to the Advisor**

Neither the Advisor nor its employees have been involved in any legal or disciplinary events in the past ten years that would be material to a client’s evaluation of the Advisor or its personnel.

#### **Item 10 – Other Financial Industry Activities and Affiliations**

The Advisor is registered as a commodity pool operator and a commodity trading adviser. The Advisor is not actively engaged in any business activity other than providing investment advice. However, all of the Advisor’s members (with the exception of John B. Ehrenkranz) are also attorneys and are separately partners of the Law Firm. Two of the eight members of the Advisor devotes substantially all of their business time to representing the clients of the Law Firm. The other six members of the Advisor devote a majority of their business time to providing investment advisory services to the Advisor Managed Funds, Advisory Clients and Ehrenkranz Funds.

The Advisor serves as the general partner of E&E Advisors L.P. and E Capital Management L.P., each a registered investment advisor that is owned and managed by the eight individuals that are members of the Advisor. The Advisor also serves as general partner of Acquisition Funds GP-L.P., an entity that serves as general partner to certain Advisor Managed Funds and is also owned and managed by the eight individuals that are members of the Advisor.

Neither the Advisor nor any of its related persons: (i) has directly or indirectly compensated any person for client referrals or (ii) has any arrangements, oral or in writing, in which the Advisor or such related person is paid cash by, or receives some economic benefit from, a non-client in connection with giving advice to clients.

Certain Advisory Clients are affiliated with a Portfolio Fund in which an Advisory Client, Advisor Managed Fund or Ehrenkranz Fund is invested. The percentage of the Advisor’s assets under management attributable to investments in such Portfolio Funds is less than 1%. Nonetheless, the Advisor monitors the level of investment in such Portfolio Funds and

would disclose any material financial conflict of interest that may arise. Additionally, a list of the names of such Portfolio Funds will be provided to any Advisory Client upon request.

### **Item 11 – Code of Ethics**

The Advisor has adopted a Code of Ethics for all supervised persons of the firm describing its high standard of business conduct, and fiduciary duty to its clients. The Code of Ethics includes provisions relating to the confidentiality of client information, a prohibition on insider trading, rumor mongering, restrictions on the acceptance of significant gifts and the reporting of certain gifts and business entertainment items, and personal securities trading procedures, among other things. All supervised persons of the Advisor must acknowledge the terms of the Code of Ethics annually, or as amended.

The Advisor may recommend to Advisory Clients or prospective clients the purchase of interests in Ehrenkranz Funds for which the Advisor or its affiliates have a financial interest as the general partner or investment manager of such Ehrenkranz Funds. All investments in an Ehrenkranz Fund by an Advisory Client are made on a non-discretionary basis and the Advisor discloses its financial interest, or that of its affiliate, to such Client prior to such investment. Additionally, in some instances Advisory Clients may be affiliated with Portfolio Funds held by Advisory Clients, Advisor Managed Funds or Ehrenkranz Funds. All investments by other Advisory Clients into such Portfolio Funds or into any Ehrenkranz Fund that holds interests in such Portfolio Funds, are made on a non-discretionary basis. All investments by an Ehrenkranz Fund or Advisor Managed Fund into such Portfolio Funds are made on a discretionary basis; however, certain partners of the Advisor may be excluded from participating from such investment decisions if such partner's relationship with such affiliated Advisory Client could be deemed to influence such partner's ability to be impartial. The affiliation between certain Advisory Clients and Portfolio Funds could potentially create a material financial conflict of interest. Consequently, the Advisor monitors the level of investment in such Portfolio Funds and would disclose any material financial conflict of interest that may arise. Additionally, a list of the names of such Portfolio Funds will be provided to any Advisory Client upon request.

Given the Advisor's manager-of-managers investment strategy, the Advisor does not anticipate that the personal trading practices of supervised persons will materially conflict with the best interest of the Advisor's Clients. The Code of Ethics is designed to assure that the personal securities transactions of the Advisor's related persons will not violate insider trading laws. Under the Code of Ethics, certain securities have been designated as restricted, based upon a determination that a related person of the Advisor either has material nonpublic information about an issuer or has a relationship with insiders of the

issuer that is highly likely to result in such supervised person obtaining material nonpublic information. In addition, the Code of Ethics requires pre-clearance of any purchase of interests in private placements and initial public offerings. Employee trading is monitored on a quarterly basis under the Code of Ethics to reasonably prevent insider trading.

The Code of Ethics requires all supervised persons to devote their full time and efforts to the Advisor's business unless certain outside activities have been approved by the Chief Compliance Officer and the Chief Operating Officer. In addition, no supervised person may make use of either his or her position as an employee or information acquired during employment, or make personal investments in a manner that may create a conflict, or the appearance of a conflict, between the employee's personal interests and the interests of the Advisor or the Advisor's Clients.

In certain situations, an investment opportunity may be suitable for more than one Advisor Managed Fund and/or Advisory Client. In making allocation decisions among Advisor Managed Funds and the Advisory Clients, the Advisor will take into account a number of factors including, but not limited to, investment objectives, leverage parameters, volatility objectives, rate of return objectives, tax position, liquidity requirements and whether an allocation to a particular Advisor Managed Fund or Advisory Client will have a material impact on its overall portfolio. Application of these and other considerations may result in different allocation decisions depending on the particular facts and circumstances in existence at the time the allocations are made and may or may not result in a *pro rata* allocation of limited investment capacity among all Ehrenkranz Funds and Advisory Clients. In the event that an investment opportunity is equally suitable for both an Advisory Client and an Advisor Managed Fund, the Advisor's policy is to first allocate such opportunity to the Advisor Managed Fund, as it benefits multiple clients. To the extent that there is additional capacity, the Advisor will generally allocate the remaining opportunity among a list of interested Advisory Clients on a *pro rata* basis based on the amount of assets under management with the Advisor.

Generally, it is the Advisor's policy not to permit principal transactions. However, there are certain circumstances in which the Advisor or an affiliate may offer to purchase the illiquid holdings of an Advisor Managed Fund or an Ehrenkranz Fund, for example, in order to facilitate the liquidation of such Fund. In such situations, the Advisor will pay the estimated value of the holding as determined by the third party manager as of the most recent date available without taking a discount. Prior to executing such transactions, the Advisor discloses to the limited partners of the Fund all pertinent purchase price and valuation information and obtains their unanimous consent.



The Advisor's clients or prospective clients may request a copy of the Advisor's Code of Ethics by contacting its General Counsel, Tinika Brown, at [tbrown@eplp.com](mailto:tbrown@eplp.com).

## **Item 12 – Brokerage Practices**

The Advisor does not recommend broker dealer services to Advisory Clients. However, related persons of the Advisor actively monitor the performance of a short list of investment managers that may have broker dealer affiliates ("Managers") and may recommend the services of such Managers to Advisory Clients. Such recommendations are based on a comparative analysis of each Manager which focuses on (i) performance over a 10 year span (if applicable), (ii) the organization of the Manager, (iii) institutional clients serviced by the Manager and (iv) portfolio diversification, concentration, turnover and volatility. The Managers typically provide discretionary portfolio management services to Advisory Clients and certain Ehrenkranz Funds. The Managers generally do not charge commissions on transactions effected but rather receive compensation in the form of a management fee. The management fees charged by the Managers are consistent with industry standards for discretionary managed accounts. Neither the Advisor nor any of its affiliates or related person receives services, research, products or any other form of compensation from the Managers in exchange for recommendations.

To facilitate the administration of establishing separately managed accounts with the Managers on behalf of the Advisory Clients and Ehrenkranz Funds, the Advisor entered into a master custodian relationship with Pershing Advisor Solutions LLC ("Pershing"). Advisory Clients that wish to establish separately managed accounts with Managers are advised to open sub-accounts with Pershing and authorize the Advisor to instruct Managers to trade against those accounts. All account openings as well funding, external transfers (meaning to accounts under a different name on the Pershing platform or to any account with a different custodian) and withdrawals of Advisory Client assets within Pershing sub accounts must be authorized by the Advisory Client. Accordingly, the Advisor does not have custody or discretion with respect to Advisory Client assets in custody with Pershing.

Pershing can and may also provide brokerage services to Advisory Clients who have established custody accounts. The Advisor may transmit certain brokerage instructions to Pershing upon written authorization from an Advisory Client.

Advisory Clients and Ehrenkranz Funds pay a basis point fee to Pershing at the sub account level for custodian services. The Advisor does not share in such fees or receive any other form of compensation from Pershing. The Advisor pays a flat annual fee to Pershing at the

master account level for administrative and oversight capabilities with respect to the sub accounts.

### **Item 13 – Review of Accounts**

Six of the members of the Advisor (“Investment Committee Members”) generally meet on a weekly basis or more frequently to review the Advisor Managed Funds, Portfolio Funds and the managers of Advisory Client separate accounts. Partners attending this meeting are supported by various personnel, which usually include additional staff from the Research Group and senior finance and operations management. As part of the review process, the Investment Committee Members analyze several factors including, but not limited to, the weighting of different investments as well as the sector and geographic allocation of such assets and organizational issues. Investment decisions relating to the portfolios of Advisor Managed Funds are determined at weekly meeting of the Investment Committee Members. Investment decisions relating to Advisory Client portfolios are made by the Advisory Client based on investment advice provided by the Investment Committee Member responsible for such Advisory Client.

With respect to Advisory Clients, the Advisor typically provides monthly and/or quarterly reports which are normally sent to clients 15 to 30 days after the end of each month/quarter. The reports generally consist of several sections, providing: (i) summary and/or detailed information regarding assets held (including investments in Advisor Managed Funds or Ehrenkranz Funds), (ii) summary and/or detailed performance reporting, (iii) summary and/or detailed transaction information and (iv) additional information with respect to closed end, committed capital investments. All Advisor reporting is generated internally.

### **Item 14 – Client Referrals and Other Compensation**

The Advisor does not receive any economic benefit from non-clients for providing investment advice or other advisory services to clients. The Advisor does not provide compensation to any person for client referrals.

### **Item 15 – Custody**

The Advisor is deemed to have custody of the assets of the Advisor Managed Funds since the Advisor has the power to withdraw funds or securities from the Advisor Managed Funds’ accounts and has access and legal ownership of Advisor Managed Fund’s securities. The beneficial owners of the Advisor Managed Funds will receive audited financial

statements prepared in accordance with U.S. generally accepted accounting standards within 180 days of the Advisor Managed Fund's fiscal year end.

Certain partners of the Advisor, in their capacity as trustees of certain Advisory Client trusts, have the power to withdraw funds or securities from accounts held by such trusts. Accordingly, the Advisor maintains all cash and securities of client trusts with a qualified custodian and ensures that such qualified custodian delivers account statements to the partner trustee and Advisory Client (or its representative) on at least a quarterly basis. Account statements prepared by the Advisor summarizing trust account balances are sent to non-affiliated trust accountants on a quarterly basis. Such account statements are accompanied by a letter urging the accountant to i) compare the account statements they receive directly from the custodian to the account statement provided by the Advisor and ii) to verify that the account balances reported by the Advisor are consistent with the records maintained by the accountant. The Advisor also undergoes a surprise Custody Rule audit on an annual basis conducted by an independent public accounting firm.

#### **Item 16 – Investment Discretion**

The Advisor does not have discretionary authority over Advisory Client accounts. The Advisor does have discretionary authority to manage the investments of the Advisor Managed Funds in its capacity as general partner of such funds. The partnership agreements of the Advisor Managed Funds and the Privity Agreement between the Affiliated GP and the Advisor grant the Advisor the right, power and authority to undertake on behalf of the Advisor Managed Funds all actions that, in the Advisor's sole judgment, are necessary to manage and control the day-to-day business of the Advisor Managed Funds.

#### **Item 17 – Voting Client Securities**

The Advisor does not vote proxies on behalf of the Advisor Managed Funds or the Advisory Clients.

The Advisor does, however, submit or withhold consent on behalf of the Advisor Managed Funds with respect to certain actions or amendments to offering terms proposed by the managers of the Portfolio Funds. Each proposed amendment or action ("Proposal") is reviewed by the Chief Operating Officer and, if necessary, presented by the Chief Operating Officer to one or more of the Advisor's investment committee members. If deemed necessary, the Proposal is discussed with the Chief Financial Officer and/or among the investment committee members and the agreed upon course of action is communicated to the Chief Operating Officer. The Chief Operating Officer submits the decision to the

Portfolio Fund manager and maintains a log that records each Proposal received and the Advisor's response. An investor in an Advisor Managed Fund may inquire as to the status of any Proposal relating to such Fund by contacting the Advisor's Chief Compliance Officer, Tinika Brown, at [tbrown@eplp.com](mailto:tbrown@eplp.com).

The Advisor may, upon request from an Advisory Client, provide advice to such Advisory Client regarding how to vote or respond to a Proposal.

### **Item 18 – Financial Information**

The Advisor is not aware of any financial condition that is reasonably likely to impair its ability to meet contractual commitments to clients. The Advisor has not been the subject of a bankruptcy petition at any time during the past ten years.

## **Item 19 -24 Brochure Supplements**

**Item 19-1 –**

**JOEL S. EHRENKRANZ**  
**EHRENKRANZ PARTNERS L.P. (the “Advisor”)**  
**375 Park Avenue**  
**Suite 2802**  
**(212) 891-8600**  
**March 27, 2017**

**This Brochure Supplement provides information about Joel S. Ehrenkranz and is included as part of the Advisor’s Brochure. You should have received a copy of that Brochure. Please contact our General Counsel, Tinika Brown, at (212) 891-8625 if you did not receive the other portions of the Advisor’s Brochure or if you have any questions about the contents of this supplement.**

**Item 19-2 – Educational Background and Business Experience**

**Joel S. Ehrenkranz**

Date of Birth: 3/25/35

University of Pennsylvania (Wharton)  
Philadelphia, PA - BS, Economics 1956; MBA 1957

New York University School of Law  
New York, NY - LLB 1961; LLM 1964

Ehrenkranz & Ehrenkranz LLP (an affiliate of Advisor)  
375 Park Avenue  
New York, NY 10152  
Senior Partner - 1966 to Present

### **Item 19-3 – Disciplinary Information Relating to Supervised Persons**

Registered investment advisers are required to disclose all material facts regarding any legal or disciplinary events that would be material to your evaluation of each supervised person providing investment advice. No information is applicable to this Item.

### **Item 19-4 – Other Business Activities of Supervised Persons**

No information is applicable to this Item.

### **Item 19-5 – Additional Compensation of Supervised Persons**

No information is applicable to this Item.

### **Item 19-6 – Supervision**

The Partners of the Advisor, and not its employees, manage the investments of the Advisor Managed Funds on a discretionary basis. The Partners are members of the Investment Committee which meets on a weekly basis to discuss investment opportunities and to review the Advisor Managed Fund portfolios. The Investment Committee meetings are attended by the Chief Operating Officer, the Chief Financial Officer and other research personnel who observe but do not vote on Investment Committee matters. Formal investment guidelines exist for each Fund and are included in the weekly package reviewed at each Investment Committee meeting. Deviations from these guidelines or conflicts of interest that arise must be reported to the Chief Compliance Officer.

The Partners of the Advisor also provide investment advice to the Advisory Clients. On a quarterly basis the Chief Operating Officer reviews Client Profile Reports, which summarize overall allocations for Advisory Clients and highlights any client allocations that are outside specified thresholds. Allocations falling outside of specified thresholds must be discussed with the relevant Partner and approved by the Chief Operating Officer. Additionally, Partners are required to submit a quarterly certification to the Chief Compliance Officer confirming that they have reviewed the holdings and allocations of each of their Advisory Clients and have determined that the investments are suitable given each Client's investment objectives and risk tolerances. Each Partner receives annual training on their fiduciary duty to clients as well as the Advisor's standards of business conduct as described in the Code of Ethics. Partners are required to report any suspected violation of the Code of Ethics to the Chief Compliance Officer and are required to make an annual attestation that they have complied with the Code of Ethics.

Any written marketing or performance related client communications must be reviewed and approved by the Chief Compliance Officer and/or the Chief Operating Officer to ensure compliance with guidelines for advertising promulgated under the Investment Advisors Act of 1940.

The Chief Compliance Officer, Tinika Brown, can be reached at (212) 891-8625. The Chief Operating Officer, Steven Davidson, can be reached at (212) 801-2306.



**Item 20-1 –**

**SANFORD B. EHRENKRANZ**  
**EHRENKRANZ PARTNERS L.P. (the “Advisor”)**  
**375 Park Avenue**  
**Suite 2802**  
**(212) 891-8600**  
**March 27, 2017**

**This Brochure Supplement provides information about Sanford B. Ehrenkranz and is included as part of the Advisor’s Brochure. You should have received a copy of that Brochure. Please contact our General Counsel, Tinika Brown, at (212) 891-8625 if you did not receive the other portions of the Advisor’s Brochure or if you have any questions about the contents of this supplement.**

**Item 20-2 – Educational Background and Business Experience**

**Sanford B. Ehrenkranz**

Date of Birth: 3/24/39

University of Pennsylvania  
Philadelphia, PA - BS, Economics 1960

Harvard Law School  
Cambridge, MA - LLB 1963

Ehrenkranz & Ehrenkranz LLP (an affiliate of Advisor)  
375 Park Avenue  
New York, NY 10152  
Senior Partner – 1966 to Present

### **Item 20-3 – Disciplinary Information Relating to Supervised Persons**

Registered investment advisers are required to disclose all material facts regarding any legal or disciplinary events that would be material to your evaluation of each supervised person providing investment advice. No information is applicable to this Item.

### **Item 20-4 – Other Business Activities of Supervised Persons**

No information is applicable to this Item.

### **Item 20-5 – Additional Compensation of Supervised Persons**

No information is applicable to this Item.

### **Item 20-6 – Supervision**

The Partners of the Advisor, and not its employees, manage the investments of the Advisor Managed Funds on a discretionary basis. The Partners are members of the Investment Committee which meets on a weekly basis to discuss investment opportunities and to review the Advisor Managed Fund portfolios. The Investment Committee meetings are attended by the Chief Operating Officer, the Chief Financial Officer and other research personnel who observe but do not vote on Investment Committee matters. Formal investment guidelines exist for each Fund and are included in the weekly package reviewed at each Investment Committee meeting. Deviations from these guidelines or conflicts of interest that arise must be reported to the Chief Compliance Officer.

The Partners of the Advisor also provide investment advice to the Advisory Clients. On a quarterly basis the Chief Operating Officer reviews Client Profile Reports, which summarize overall allocations for Advisory Clients and highlights any client allocations that are outside specified thresholds. Allocations falling outside of specified thresholds must be discussed with the relevant Partner and approved by the Chief Operating Officer. Additionally, Partners are required to submit a quarterly certification to the Chief Compliance Officer confirming that they have reviewed the holdings and allocations of each of their Advisory Clients and have determined that the investments are suitable given each Client's investment objectives and risk tolerances. Each Partner receives annual training on their fiduciary duty to clients as well as the Advisor's standards of business conduct as described in the Code of Ethics. Partners are required to report any suspected violation of the Code of Ethics to the Chief Compliance Officer and are required to make an annual attestation that they have complied with the Code of Ethics.

Any written marketing or performance related client communications must be reviewed and approved by the Chief Compliance Officer and/or the Chief Operating Officer to ensure compliance with guidelines for advertising promulgated under the Investment Advisors Act of 1940.

The Chief Compliance Officer, Tinika Brown, can be reached at (212) 891-8625. The Chief Operating Officer, Steven Davidson, can be reached at (212) 801-2306.

**Item 21-1 –**

**ANDREW SOMMERS**  
**EHRENKRANZ PARTNERS L.P. (the “Advisor”)**  
**375 Park Avenue**  
**Suite 2802**  
**(212) 891-8600**  
**March 27, 2017**

**This Brochure Supplement provides information about Andrew Sommers and is included as part of the Advisor’s Brochure. You should have received a copy of that Brochure. Please contact our General Counsel, Tinika Brown, at (212) 891-8625 if you did not receive the other portions of the Advisor’s Brochure or if you have any questions about the contents of this supplement.**

**Item 21-2 – Educational Background and Business Experience**

**Andrew Sommers**

Date of Birth: 4/13/69

University of Michigan  
Ann Arbor, MI - BBA, Finance 1991

Columbia University  
New York, NY - JD 1994

Ehrenkrantz & Ehrenkrantz LLP (an affiliate of Advisor)  
375 Park Avenue  
New York, NY 10152  
Partner – 2001 to Present  
Associate - 1997 to 2000

### **Item 21-3 – Disciplinary Information Relating to Supervised Persons**

Registered investment advisers are required to disclose all material facts regarding any legal or disciplinary events that would be material to your evaluation of each supervised person providing investment advice. No information is applicable to this Item.

### **Item 21-4 – Other Business Activities of Supervised Persons**

No information is applicable to this Item.

### **Item 21-5 – Additional Compensation of Supervised Persons**

No information is applicable to this Item.

### **Item 21-6 – Supervision**

The Partners of the Advisor, and not its employees, manage the investments of the Advisor Managed Funds on a discretionary basis. The Partners are members of the Investment Committee which meets on a weekly basis to discuss investment opportunities and to review the Advisor Managed Fund portfolios. The Investment Committee meetings are attended by the Chief Operating Officer, the Chief Financial Officer and other research personnel who observe but do not vote on Investment Committee matters. Formal investment guidelines exist for each Fund and are included in the weekly package reviewed at each Investment Committee meeting. Deviations from these guidelines or conflicts of interest that arise must be reported to the Chief Compliance Officer.

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**Item 22-1 -**

**JOHN B. EHRENKRANZ**  
**EHRENKRANZ PARTNERS L.P. (the “Advisor”)**  
**375 Park Avenue**  
**Suite 2802**  
**(212) 891-8600**  
**March 27, 2017**

**This Brochure Supplement provides information about John B. Ehrenkranz and is included as part of the Advisor’s Brochure. You should have received a copy of that Brochure. Please contact our General Counsel, Tinika Brown, at (212) 891-8625 if you did not receive the other portions of the Advisor’s Brochure or if you have any questions about the contents of this supplement.**

**Item 22-2 – Educational Background and Business Experience**

**John B. Ehrenkranz**

Date of Birth 5/11/65

Brown University  
Providence, RI - BA 1987

University of Pennsylvania (Wharton)  
Philadelphia, PA - MBA 1991

Morgan Stanley Capital Partners  
1585 Broadway  
New York, NY 10036  
Managing Director 1996-2004

Ehrenkranz Partners L.P.  
375 Park Avenue

New York, NY 10152  
Chief Investment Officer – 2004 to Present

### **Item 22-3 – Disciplinary Information Relating to Supervised Persons**

Registered investment advisers are required to disclose all material facts regarding any legal or disciplinary events that would be material to your evaluation of each supervised person providing investment advice. No information is applicable to this Item.

### **Item 22-4 – Other Business Activities of Supervised Persons**

No information is applicable to this Item.

### **Item 22-5 – Additional Compensation of Supervised Persons**

No information is applicable to this Item.

### **Item 22-6 – Supervision**

The Partners of the Advisor, and not its employees, manage the investments of the Advisor Managed Funds on a discretionary basis. The Partners are members of the Investment Committee which meets on a weekly basis to discuss investment opportunities and to review the Advisor Managed Fund portfolios. The Investment Committee meetings are attended by the Chief Operating Officer, the Chief Financial Officer and other research personnel who observe but do not vote on Investment Committee matters. Formal investment guidelines exist for each Fund and are included in the weekly package reviewed at each Investment Committee meeting. Deviations from these guidelines or conflicts of interest that arise must be reported to the Chief Compliance Officer.

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in the Code of Ethics. Partners are required to report any suspected violation of the Code of Ethics to the Chief Compliance Officer and are required to make an annual attestation that they have complied with the Code of Ethics.

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The Chief Compliance Officer, Tinika Brown, can be reached at (212) 891-8625. The Chief Operating Officer, Steven Davidson, can be reached at (212) 801-2306.

**Item 23-1 –**

**PATRICK J.C. SHAW**  
**EHRENKRANZ PARTNERS L.P. (the “Advisor”)**  
**375 Park Avenue**  
**Suite 2802**  
**(212) 891-8600**  
**March 27, 2017**

**This Brochure Supplement provides information about Patrick J.C. Shaw and is included as part of the Advisor’s Brochure. You should have received a copy of that Brochure. Please contact our General Counsel, Tinika Brown, at (212) 891-8625 if you did not receive the other portions of the Advisor’s Brochure or if you have any questions about the contents of this supplement.**

**Item 23-2 – Educational Background and Business Experience**

**Patrick J. C. Shaw**

Date of Birth 11/16/69

Colgate University  
Hamilton, NY – BA 1992

Northwestern University School of Law  
Chicago, IL – JD 1998

Ehrenkrantz & Ehrenkrantz LLP (an affiliate of Advisor)  
375 Park Avenue  
New York, NY 10152  
Partner – 2007- Present  
Associate – 2004 to 2007

Simpson Thacher & Bartlett  
425 Lexington Avenue  
New York, NY  
Associate – 2000 to 2004

### **Item 23-3 – Disciplinary Information Relating to Supervised Persons**

Registered investment advisers are required to disclose all material facts regarding any legal or disciplinary events that would be material to your evaluation of each supervised person providing investment advice. No information is applicable to this Item.

### **Item 23-4 – Other Business Activities of Supervised Persons**

No information is applicable to this Item.

### **Item 23-5 – Additional Compensation of Supervised Persons**

No information is applicable to this Item.

### **Item 23-6 – Supervision**

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**Item 24-1 –**

**KURT F. DUDAS**  
**EHRENKRANZ PARTNERS L.P. (the “Advisor”)**  
**375 Park Avenue**  
**Suite 2802**  
**(212) 891-8600**  
**March 27, 2017**

**This Brochure Supplement provides information about Kurt F. Dudas and is included as part of the Advisor’s Brochure. You should have received a copy of that Brochure. Please contact our General Counsel, Tinika Brown, at (212) 891-8625 if you did not receive the other portions of the Advisor’s Brochure or if you have any questions about the contents of this supplement.**

**Item 24-2 – Educational Background and Business Experience**

**Kurt F. Dudas**

Date of Birth 05/01/76

University of Chicago  
Chicago, IL – BA 1998

Harvard Law School  
Cambridge, MA – JD 2004

Ehrenkrantz & Ehrenkrantz LLP (an affiliate of Advisor)  
375 Park Avenue  
New York, NY 10152  
Partner – 2015-Present  
Associate – 2012 to 2014

Credit Suisse Investment Bank  
11 Madison Avenue

New York, NY  
Vice President – 2011 to 2012

UBS Investment Bank  
677 Washington Blvd.  
Stamford, CT  
Director – 2010-2011

Simpson Thacher & Bartlett LLP  
425 Lexington Avenue  
New York, NY  
Associate – 2004 to 2010

### **Item 24-3 – Disciplinary Information Relating to Supervised Persons**

Registered investment advisers are required to disclose all material facts regarding any legal or disciplinary events that would be material to your evaluation of each supervised person providing investment advice. No information is applicable to this Item.

### **Item 24-4 – Other Business Activities of Supervised Persons**

No information is applicable to this Item.

### **Item 24-5 – Additional Compensation of Supervised Persons**

No information is applicable to this Item.

### **Item 24-6 – Supervision**

The Partners of the Advisor, and not its employees, manage the investments of the Advisor Managed Funds on a discretionary basis. The Partners are members of the Investment Committee which meets on a weekly basis to discuss investment opportunities and to review the Advisor Managed Fund portfolios. The Investment Committee meetings are attended by the Chief Operating Officer, the Chief Financial Officer and other research personnel who observe but do not vote on Investment Committee matters. Formal investment guidelines exist for each Fund and are included in the weekly package reviewed at each Investment Committee meeting. Deviations from these guidelines or conflicts of interest that arise must be reported to the Chief Compliance Officer.

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