

**FORM ADV PART 2A
DISCLOSURE STATEMENT**

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This brochure provides information about the qualifications and business practices of Engine Capital Management, LP and its registered Investment Adviser Representatives. If you have any questions about the contents of this brochure, please contact us at (646) 392-8863 or mdiagonale@enginecap.com. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission (“SEC”) or by any state securities authority. Additional information about Engine Capital Management, LP also is available on the SEC’s website at www.adviserinfo.sec.gov. You can search this site by a unique identifying number known as a CRD number. Engine Capital Management, LP’s CRD number is 168315.

January 1, 2020

Item 2 Material Changes

The SEC adopted “Amendments to Form ADV” in July 2010. This version of Part 2A of Form ADV (“**Firm Brochure**”) and Part 2B of Form ADV (“**Supplement Brochure**”), dated **January 1, 2020**, is our annual amendment brochure document prepared in accordance to the SEC’s new rule requirements and rules. This document is in a narrative format. Consistent with the new rules, we will ensure that you receive a summary of any material changes to this and subsequent Firm Brochures within 90 days of the close of our business’ fiscal year. Furthermore, we will provide you with other interim disclosures about material changes as necessary.

This Firm Brochure is a newly formatted disclosure document and has been prepared by Engine Capital Management, LP (“**Engine**” or the “**Firm**”) in accordance with recently enacted SEC rules and requirements.

Material Changes since the Last Update

This section of our Firm Brochure will reflect the annual update of any material changes that occurred since the previous delivery of our Firm Brochure.

During calendar year 2019, the Firm made no material changes.

Full Brochure Available

We will provide you with a new version of the Firm Brochure as necessary when updates or new information become available, at any time, without charge. Request a complete copy of our Firm Brochure, by contacting us by telephone at **(646) 392-8863** or by email at **mdiagonale@enginecap.com**.

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Item 4 **Advisory Business**

A. FIRM DESCRIPTION

Engine Capital Management, LP (“**Engine**” or the “**Firm**”) was organized as a Delaware limited liability company that was founded in 2013 and was subsequently converted to a Delaware limited partnership on February 13, 2018.

Engine’s current business activities consist of providing investment advisory services to a group of privately offered, pooled investment vehicles that each make investments according to a value-oriented special situations investment strategy.

Engine is owned by Arnaud Ajdler (99%) and by Engine Capital Management GP, LLC (1%). Engine is controlled by Engine Capital Management GP, LLC, as the Firm’s general partner, which is in turn controlled by Arnaud Ajdler as the Manager of Engine Capital Management GP, LLC. Marc Diagonale serves as the Firm’s Chief Financial Officer and Chief Compliance Officer.

B. TYPES OF ADVISORY SERVICES

Engine provides investment advisory services and serves as the discretionary investment manager of Engine Capital, L.P., a Delaware limited partnership (“**Engine Capital**”), Engine Capital Offshore Fund, Ltd., a British Virgin Islands business company (“**Engine Offshore**”), Engine Jet Capital, L.P., a Delaware limited partnership (“**Engine Jet**”), and Engine Airflow Capital, L.P., a Delaware limited partnership (“**Engine Airflow**”), (each, of Engine Capital, Engine Offshore, Engine Jet, and Engine Airflow are referred to herein as a “**Fund**” and together, as the “**Funds**”). The Funds invest their assets in securities according to Engine’s proprietary, value-oriented special situations investment strategy. As the investment manager to the Funds, Engine is responsible for: (a) the formulation and implementation of the Funds’ investment strategy; (b) evaluating and monitoring investments made by the Funds; and, (c) making all investment decisions for the Funds.

Engine Investments, LLC (“**Engine Investments**”), an affiliate of Engine, acts as the general partner of Engine Capital and Engine Jet. As general partner, Engine Investments is ultimately responsible for the management of Engine Capital and Engine Jet.

Engine Investments II, LLC (“**Engine Investments II**”), an affiliate of Engine, acts as the general partner of Engine Airflow. As general partner, Engine Investments II is ultimately responsible for the management of Engine Airflow.

Investors in Engine Capital, Engine Jet, and Engine Airflow are limited partners (“**Limited Partners**”). Limited Partners must generally be “**accredited investors**” as defined in Regulation D under the Securities Act of 1933. Investors in Engine Offshore are shareholders (“**Shareholders**”). Shareholders generally must be either non-U.S. Persons or permitted U.S. persons. A “Permitted U.S. Person” is a tax-exempt U.S. person or an entity in which substantially all of the ownership interests are held by tax-exempt U.S. persons, although certain taxable U.S. persons may be permitted as Shareholders.

As noted, Engine is retained by each Fund to act as such Fund's discretionary investment adviser. The specific terms and conditions applicable to the Funds, as well as each Fund's investment focus, investment guidelines, and investment restrictions, if any, are described in each Fund's confidential private placement memorandum or confidential explanatory memorandum (each a "**Memorandum**"). **This document is neither an offer to sell nor a solicitation of an offer to buy interests in or shares of any Fund.** Such an investment may be made only after receipt and review of the applicable Memorandum. Upon request to Engine, a copy of each Memorandum is available to persons meeting applicable investor eligibility criteria. Each Memorandum contains important information concerning risk factors and other material aspects of the applicable Fund(s) and must be read carefully before any decision whether to invest is made. The information in this document is qualified in its entirety by, and should be read in conjunction with, the information contained in each Fund's Memorandum.

Engine also provides non-discretionary research and consulting services to institutional investors as it relates to activist investment recommendations made by Engine.

C. TAILORED RELATIONSHIPS

Engine provides investment advisory services to the Funds based on the investment objectives of the Funds. **Engine does not provide tailored investment advice to the Limited Partners or Shareholders in the Funds.**

D. WRAP FEE PROGRAMS

Wrap Fee Programs are arrangements between broker-dealers, investment advisers, banks and other financial institutions and affiliated and unaffiliated investment advisers through which the Clients of such firms receive discretionary investment advisory, execution, clearing and custodial services in a "bundled" form. In exchange for these "bundled" services, the Clients pay an all-inclusive (or "wrap") fee determined as a percentage of the assets held in the wrap account.

Engine does not participate in and is not a sponsor of any wrap fee program.

E. ASSETS UNDER MANAGEMENT

When calculating regulatory assets under management, an investment adviser must include the value of any private fund over which it exercises continuous and regular supervisory or management services. Engine managed a total of \$328,739,961 in Client assets on a discretionary basis. This Regulatory Asset Under Management figure is based on calculations as of December 31, 2019.

Item 5 Fees and Compensation

A. ADVISORY FEES AND BILLING

Generally, Engine charges each Client an investment management fee ("**Management Fee**") based on the value of the Client's assets under management at rates ranging from 1.0% to 1.5% *per annum*.

Generally, Management Fees are charged each quarter in advance based on the total market value of the assets in the Client account (including net unrealized appreciation or depreciation of investments and cash, cash equivalents and accrued income and expenses), on the first day of the quarter. If a new Client account is established during a quarter or there is an additional contribution made to a Client's account during a quarter, the Management Fee will be charged as of the effective date of the Client's investment management agreement or the date of such additional contribution based on the value of the assets as of the applicable date and will be prorated for the number of days remaining in the quarter.

In the case of Engine's non-discretionary research and consulting services, the Management Fee is paid quarterly based on the amount of Client assets that are invested in accordance with Engine's research.

B. OTHER FEES AND EXPENSES

The Funds generally pay for their own operating expenses, including, but not limited to, legal and accounting fees, third party administration, auditing and tax fees, printing and mailing expenses and government filing fees (including blue sky filing fees), as further described in each Fund's Memorandum. Engine and its affiliates pay for their own administrative and overhead expenses incurred in connection with providing services to the Funds.

C. REFUND POLICY

No part of the Management Fee will be refunded in the event that a Limited Partner withdraws or Shareholder redeems, whether voluntarily or involuntarily, all or any of the value in the Limited Partner's capital account or Shareholder's shares during any quarter.

D. OTHER COMPENSATION

Engine does not accept any other compensation other than the fees as described in *Item 5* and *Item 6*.

Item 6 Performance Compensation & Side-by-Side Management

A. PERFORMANCE-BASED COMPENSATION

Performance-based compensation is compensation based on a share of the capital gains or capital appreciation of the assets of a Client. Performance-based compensation arrangements cause an investment adviser to participate directly in the profits accumulated in a Client's account. Performance-based compensation may create an incentive for an investment adviser to make investments on behalf of a Client that are riskier or more speculative than would be the case in the absence of such compensation arrangements.

Engine receives performance based compensation (either as a annual performance fee or allocation) from each of the Funds. This compensation will be allocated to Engine or to a related person of Engine and will generally range from 10% to 20% annually of the

net profits otherwise allocable to each Limited Partner or Shareholder, subject to a "high water mark" mechanism and in certain circumstances, a "clawback" mechanism.

B. SIDE-BY-SIDE MANAGEMENT

"Side-by-Side Management" refers to a situation in which the same investment adviser manages accounts that are billed based only on a percentage of assets under management and at the same time manages other accounts that are subject to performance-based compensation arrangements. Because, Engine only manages the Funds, it does not conduct side-by-side management of dissimilar advisory accounts.

Item 7 Types of Clients

Engine provides portfolio management services to the Funds only.

The minimum initial capital contribution for interests in Engine Capital, Engine Capital Offshore, and Engine Jet is \$1,000,000. Engine reserves the right to reduce the minimum initial capital contribution and to accept subscriptions for lesser amounts. There is no minimum investment for interests in Engine Airflow.

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

A. METHODS OF ANALYSIS, INVESTMENT STRATEGIES AND RISK OF LOSS

Engine primarily seeks to achieve capital appreciation for Clients by investing the Funds' assets both actively and passively in companies whose securities Engine considers undervalued and that are going through (or are expected to go through) changes that are likely to unlock shareholder value. These changes can be operational (management change, margin improvements, sales growth acceleration), strategic (spinoff of assets with different financial characteristics, sale of the entire company, changes in industry competitive dynamics), capital allocation related (return of cash to shareholders (buyback, dividend), acquisitions, use of capex towards highest risk-adjusted returns), capital structure related (optimizing the balance sheet, refinancing) or governance related (board improvement, separating the roles of CEO and Chairman, executive compensation). In certain situations, Engine will push for changes by undertaking an activist approach and will try to influence the company either through board representation, proxy fights or public filings.

Fundamental analysis of businesses involves analyzing its financial statements and health, its management and competitive advantages, and its competitors and markets. Fundamental analysis is performed on historical and present data but with the goal of making financial forecasts. There are several possible objectives: to conduct a company stock valuation and predict its probable price evolution; to make a projection on its business performance; to evaluate its management and make internal business decisions; and to calculate its credit risk. Fundamental analysis does not attempt to anticipate market movements. This presents a potential risk as the price of a security

can move up or down along with the overall market regardless of the economic and financial factors considered in evaluating stock.

B. MATERIAL RISKS OF METHODS OF ANALYSIS AND INVESTMENT STRATEGIES

The Funds may utilize leverage and other speculative investment practices that may increase the risk of investment loss. Because risks are inherent in all the investments in which the Funds engage, no assurances can be given that the Funds' investment objectives will be realized.

There can be no assurance that the Funds will achieve their objectives or avoid substantial losses. An investor could lose all or a substantial amount of his or her investment. Notwithstanding the method of analysis or investment strategy employed by Engine, the assets of the Funds are subject to risk of devaluation or loss. An investor should not make an investment in the Funds with the expectation of sheltering income or receiving cash distributions.

Engine believes that substantial returns can be achieved by investing in the Funds; however, such investments involve a high degree of risk. **Engine urges investors to review carefully the risk factors set forth in the applicable Memorandum.** Each Fund's Memorandum contains important information concerning risk factors and other material aspects of the applicable Fund and must be read carefully before any investor decides to invest in a Fund. The risk factors set forth in each Memorandum are those deemed by Engine to be the most significant.

In addition to the risk factors listed in each Memorandum, a prospective investor should carefully consider the following risks prior to making an investment in any of the Funds:

- *General Investment Risks:* Each Fund's success depends upon Engine's ability to implement its investment strategy. Any factor that would make it more difficult to execute timely trades may also be detrimental to a Fund's profitability.
- *Dependence on Key Personnel:* Engine is dependent on the services of Mr. Arnaud Ajdler and there can be no assurance that Engine will be able to retain Mr. Ajdler, whose credentials are described Engine's Supplement Brochure (Part 2B of Form ADV). The departure or incapacity of Mr. Ajdler could have a material adverse effect on Engine's management of the investment operations of the Funds.
- *Investment and Trading Risks.* All investments involve the risk of a loss of capital. Engine believes that each Fund's investment program and Engine's research and risk-management techniques moderate this risk through the careful selection of securities and other financial instruments. No guarantee or representation is made that any Fund's investment program will be successful, and investment results may vary substantially over time.
- *Risks Relating to Markets.* The value of those securities in which the Funds invest and that are traded on exchanges or over-the counter and the risks associated therewith vary in response to events that affect such markets and that are beyond

the control of Engine. Market disruptions, such as those that occurred during October of 1987 and on September 11, 2001, and following the systemic loss of confidence during the recent financial crisis of 2008 and 2009, could have a material effect on general economic conditions, market volatility, and market liquidity which could result in substantial losses to the Funds.

- *Equity Securities.* The value of the equity securities held by the Funds are subject to market risk, including changes in economic conditions, growth rates, profits, interest rates and the market's perception of these securities. While offering greater potential for long-term growth, equity securities are more volatile and more risky than some other forms of investment.
- *Small- and Medium-Capitalization Stocks.* The Funds may invest in stocks of companies with smaller market capitalizations. Small- and medium-capitalization companies may be of a less seasoned nature or have securities that may be traded in the over-the-counter market. These "secondary" securities often involve significantly greater risks than the securities of larger, better-known companies. In addition to being subject to the general market risk that stock prices may decline over short or even extended periods, such companies may not be well-known to the investing public, may not have significant institutional ownership and may have cyclical, static or only moderate growth prospects. Additionally, stocks of such companies may be more volatile in price and have lower trading volumes than larger capitalized companies, which results in greater sensitivity of the market price to individual transactions. Accordingly, investors in the Funds should have a long-term investment horizon.
- *Illiquid Investments.* The Funds may invest in securities, loans or other assets for which no (or only a limited) liquid market exists or that are subject to legal or other restrictions on transfer. It may take the Funds longer to liquidate these positions (if they can be liquidated) than would be the case for more liquid investments. The prices realized on the resale of illiquid investments could be less than those originally paid by the Funds. The market prices, if any, for such assets tend to be volatile, and may fluctuate due to a variety of factors that are inherently difficult to predict including, but not limited to, changes in interest rates, prevailing credit spreads, general economic conditions, financial market conditions, domestic or international economic or political events, developments or trends in any particular industry, and the financial condition of obligors on the Funds' assets. The Funds may not be able to sell assets when they desire to do so or to realize what they perceive to be fair value in the event of a sale. The sale of illiquid assets and restricted securities often requires more time and results in higher brokerage charges or dealer discounts and other selling expenses than does the sale of securities eligible for trading on national securities exchanges or in the over-the-counter markets. Restricted securities may sell at a price lower than similar securities that are not subject to restrictions on resale.
- *Highly Volatile Instruments.* The prices of financial instruments in which the Funds invest can be highly volatile. Price movements of the securities and derivative contracts in which the Funds' assets may be invested are influenced by, among other

things, interest rates, changing supply and demand relationships, trade, fiscal, monetary and exchange control programs and policies of governments, and national and international political and economic events and policies. The Funds are subject to the risk of failure of any of the exchanges on which their positions trade or of their clearinghouses.

- *OTC Transactions.* The Fund may engage in transactions involving securities traded on “over the counter” (“OTC”) markets. In general, there is less governmental regulation and supervision in the OTC markets than of transactions entered into on an organized exchange. In addition, many of the protections afforded to participants on some organized exchanges, such as the performance guarantee of an exchange clearinghouse, will not be available in connection with OTC transactions. This exposes the Funds to the risks that a counterparty will not settle a transaction because of a credit or liquidity problem or because of disputes over the terms of the contract. Therefore, to the extent that the Funds engage in trading on OTC markets, the Funds could be exposed to greater risk of loss through default than if the Funds confined their trading to regulated exchanges.

While this information provides a synopsis of the events that may affect an investor’s investment in the Funds, this listing is not exhaustive. Please read the Risk Factors section in the applicable Memorandum carefully. **ANY INVESTOR MAY LOSE ALL OR A SUBSTANTIAL AMOUNT OF ITS INVESTMENT IN THE FUNDS.**

An investment in the Funds should form only a part of a complete investment program, and an investor must be able to bear the loss of his or her entire investment. Prospective investors are urged to consult with their own financial, tax and legal advisors before investing in the Funds.

D. RECOMMENDATION OF SPECIFIC TYPES OF SECURITIES

Engine specializes in recommendations related to the Funds which are designed for investors who have the knowledge and experience in financial matters to evaluate the merits and risks of such investments. Fund investments may include, but are not limited to, equity securities, debt and other income securities, exchange-traded funds, derivative instruments (including options transactions), and emerging markets securities.

Item 9 Disciplinary Information

The Firm is required to disclose whether there are legal or disciplinary events that are material to a Client’s or prospective Client’s evaluation of our advisory business or the integrity of our management. Neither Engine, its management, nor any related person has been involved in any legal or disciplinary events related to past or present investment Clients.

Item 10 Other Financial Industry Activities and Affiliations

A. FINANCIAL INDUSTRY ACTIVITIES

Engine is not a registered broker-dealer and does not have an application pending to register as a broker-dealer. Furthermore, none of Engine's management or supervised persons is a registered representative of a broker-dealer and no such person has an application pending to become a registered representative of a broker-dealer.

B. FINANCIAL INDUSTRY AFFILIATIONS

Engine is not a registered futures commission merchant, commodity pool operator, or commodity trading advisor and does not have an application pending to register as such. Furthermore, none of Engine's principals or supervised persons is registered as, or has an application pending to register as, an associated person of any of the foregoing types of firms. However, Engine is an exempt commodity pool operator as it relates to Engine Offshore. Likewise, Engine Investments is an exempt commodity pool operator as it relates to Engine Capital and Engine Jet and Engine Investments II is an exempt commodity pool operator as it relates to Engine Airflow.

C. OTHER MATERIAL RELATIONSHIPS

Engine does not have any other arrangements with a related person who is a broker-dealer, investment company, other investment adviser, financial planning firm, commodity pool operator, commodity trading adviser, futures commission merchant, banking or thrift institution, accounting firm, law firm, insurance company or agency, pension consultant, real estate broker or dealer, or an entity that creates or packages limited partnerships other than those already disclosed herein.

D. OTHER INVESTMENT ADVISERS

Engine does not have any material arrangements with other investment advisers that would be material to its advisory Clients.

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

A. CODE OF ETHICS

All employees of Engine must act in an ethical and professional manner. In view of the foregoing and applicable provisions of relevant law, Engine has adopted a Code of Ethics to specify and prohibit certain types of transactions deemed to create conflicts of interest (or at least the potential for or the appearance of such a conflict), and to establish reporting requirements and enforcement procedures relating to personal trading by Engine personnel. Engine's Code of Ethics, which specifically deals with professional standards, insider trading, personal trading, gifts and entertainment, and fiduciary duties, establishes standards for ethical conduct based upon fundamental principles of openness, integrity, honesty, and trust. Engine will provide a copy of its Code of Ethics to any Client or prospective Client upon request.

B. PARTICIPATION OF INTEREST IN CLIENT TRANSACTIONS

Engine does not recommend or effect transactions in securities in which any related person may have a material financial interest.

C. PROPRIETARY /SIMULTANEOUS TRADING

Engine generally does not allow its employees or personnel to transact in securities owned or under consideration by the Funds. Engine requires its employees and related persons to pre-clear all transactions (other than in open-end investment companies, dividend reinvestment programs and other automatic investment programs, and Non-Control Accounts) in their personal accounts with the Chief Compliance Officer. Engine otherwise monitors the personal trading activity of employees and personnel. Engine will always document any transactions that present conflicts of interest.

Item 12 Brokerage Practices

A. SELECTION AND RECOMMENDATION

Engine will have complete discretion regarding the selection of brokers for the Funds and the amount of brokerage commissions and fees paid to such brokers, and this determination will be based upon four factors: (1) where the best execution (price) is likely to be obtained; (2) a brokerage firm's research and investment ideas that directly impact the Funds' portfolio; (3) a firm's ability to properly execute any orders (based on the size of the trade and its complexity to execute); and (4) the operational aspects of brokerage firms' back office (will the accounts receive payment of securities on a timely basis) and custodian or other administrative services. "Best execution" is not synonymous with lowest brokerage commission. Consequently, Engine may pay a brokerage commission in excess of that which another broker might have charged for executing the same transaction for other investment funds similar to the Funds. However, Engine has determined that the research, execution and other services rendered by a particular broker merit greater than typical fees.

B. SOFT DOLLAR BENEFITS

Engine may generate "soft dollars" with respect to the Funds' trades. If it does so, Engine intends to comply with the safe harbor of Section 28(e) of the Securities Exchange Act of 1934, as amended. Under "soft dollar" arrangements, the brokerage firms would provide or pay the costs of certain services, equipment or other items for the benefit of the Funds, Engine, or one or more of their affiliates in consideration of the allocation to the firm of brokerage transactions (with resulting commission income) made on behalf of the Funds on both an agency and net basis. Services that may be furnished or paid for by brokers or dealers may include, without limitation (in addition to the research products and services described below) special execution capabilities, clearance, settlement, net pricing, online pricing, block trading and block positioning capabilities, willingness to execute related or unrelated difficult transactions in the future, performance measurement data, consultations, financial strength and stability, efficiency of execution, availability of stocks to borrow for short sales, custody,

recordkeeping and similar services. Although these soft dollar arrangements may benefit the Funds and Engine by reducing their respective expenses, the amount of the fees payable to Engine will not be reduced.

Because such services could be considered to benefit Engine and its affiliates, and the “soft dollars” used to acquire them are the assets of the Funds, Engine could be considered to have a conflict of interest in allocating brokerage business on behalf of the Funds. Nonetheless, Engine believes that to the extent it makes allocations to brokerage business with soft dollar arrangements, this would generally enhance the ability to obtain research, optimal execution and other benefits on behalf of the Funds. The Funds will not necessarily benefit from all such soft dollar services. Engine may also derive substantial benefits from these services, particularly to the extent that Engine uses soft dollars to pay for expenses it would otherwise be required to pay itself. Furthermore, because the extent of the products and services provided by these brokers will be based largely on the volume of commissions generated by the Funds’ trading activities, these soft dollar arrangements may create an incentive for Engine to increase the volume of the Funds’ trading activities.

Currently, Engine has no soft dollar arrangements.

C. BROKERAGE FOR CLIENT REFERRALS

Engine does not receive Client referrals from third parties for recommending the use of specific broker-dealer’s services.

D. DIRECTED BROKERAGE

Engine provides investment advisory services related to the management of the Funds. When a Client directs brokerage, the Client is responsible for negotiating the commission rates and other fees to be paid to the broker. Due to the structure of the Funds, directed brokerage arrangements are not applicable to nor affect the brokerage policies of Engine.

However, Engine may direct brokerage from Fund trades to broker-dealers that introduce investors to the Funds, subject to applicable laws.

E. ORDER AGGREGATION

Engine may, at times, aggregate sale and purchase orders of securities for advisory accounts with similar orders in order to obtain the best pricing averages and minimize trading costs. This practice is reasonably likely to result in administrative convenience or an overall economic benefit to the Client. Clients also benefit relatively with better purchase or sale execution prices, lower commission expenses or beneficial timing of transactions or a combination of these and other factors. Engine’s policies and procedures mandate aggregating multiple orders. Aggregate orders will be allocated to Client accounts in a systematic non-preferential manner. Engine may aggregate or “bunch” transactions for a Client’s account with those of other Clients in an effort to obtain the best execution under the circumstances.

Item 13 Review of Accounts

A. PERIODIC REVIEWS

Engine reviews the Funds' investment programs to analyze rates of return, allocation of assets, and to verify that each Fund's portfolio is consistent with its investment objective. For further due diligence, the Funds' portfolios will be assessed no less than quarterly for factors such as risk evaluation, tax treatment, performance relative to the indices and liquidity needs of each Client. Intermittent reviews may be triggered by substantial market fluctuation, economic or political events, or by changes in a Client's financial situation. These periodic reviews are conducted by the Firm's Managing Member, Arnaud Ajdler.

B. CLIENT REPORTS

The Funds' books of account will be audited at the end of each fiscal year by a firm of certified public accountants selected by Engine. Books of account will generally be kept by the Funds, in accordance with GAAP. Each Limited Partner and Shareholder will receive a monthly account statement which shall be delivered electronically by Engine or each Fund's respective administrator. Audited financial statements are provided annually to Limited Partners and Shareholders of Engine Capital, Engine Offshore, and Engine Airflow. In addition, all Limited Partners and Shareholders will receive the information necessary to prepare federal and state income tax returns following the conclusion of such fiscal year as soon thereafter as is reasonably practical.

Item 14 Client Referrals and Other Compensation

A. ECONOMIC BENEFITS FROM OTHERS

Engine and its related persons do not receive an economic benefit (such as sales awards or other prizes) from any third party for providing investment advice or other advisory services to its Clients.

B. COMPENSATION TO UNAFFILIATED THIRD PARTIES

Engine anticipates that selling commissions and/or referral fees may be paid in connection with the offering of the interests in the Funds. A portion of the Management Fee or performance-based compensation may be remitted to third parties introducing investors to the Funds, or Engine may use its own resources to compensate third parties for such introductions. Engine may also direct brokerage from the Funds' trades to broker-dealers that introduce investors to the Funds, subject to applicable laws.

At this time, neither Engine nor its related persons compensate directly or indirectly any person who is not a supervised person for Client referrals.

Item 15 Custody

A. CUSTODY OF ASSETS

Custody means holding, directly or indirectly, Client funds or securities, or having any authority to obtain possession of them.

Engine has custody of its Client's portfolio assets because it has the ability to deduct advisory fees payable to it and it has a general power of attorney over the Funds' accounts.

Engine generally does not take physical custody of Client assets or securities. Client funds and securities are held by a qualified custodian. While Engine does not have physical custody of Client funds or securities, payments of fees may be paid by the custodian from the custodial brokerage account that holds Client funds pursuant to the Client's account application. In certain jurisdictions, the ability of a Firm to withdraw its advisory fees from the Client's account may be deemed custody.

B. ACCOUNT STATEMENTS

Engine receives transaction reports for the Funds. Please be advised that Engine is not required to provide information about specific investment transactions of the Funds to the investors in the Funds. Nonetheless, on at least a monthly basis, Engine will provide Limited Partners and Shareholders with monthly capital statements which set forth the Net Asset Value of the investor's Shares or Interests. Additionally, Engine Capital, Engine Offshore, and Engine Airflow are each subject to an annual audit by an independent accounting firm that is registered with and subject to regular inspection by the Public Company Accounting Oversight Board ("PCAOB"). The audited financial statements are distributed to investors within 120 days of the end of each Fund's fiscal year. Engine Jet is subject to an annual surprise examination.

Item 16 Investment Discretion

Engine is not limited in its authority to purchase securities for the Funds. Engine has full discretion and authority to make all investment decisions with respect to the types of securities to be bought or sold or the amount of securities to be bought or sold for the Funds.

Item 17 Voting Client Securities

Fiduciary obligations of prudence and loyalty require an investment adviser with proxy voting responsibility to vote proxies on issues that affect the value of the Client's investment. Proxy voting decisions must be made solely in the best interests of the Client's account. In voting proxies, the Firm is required to consider those factors that may affect the value of the Client's investment and may not subordinate the interests of the Client to unrelated objectives.

Engine will exercise all rights, powers and privileges of ownership in all Fund property, including the right to vote, give assent, execute, and deliver proxies, and the Funds' proxy voting policies override the undersigned's proxy voting policies. Fund investors are required to adopt the voting policies of the Fund for purposes of their investments in the Funds. Engine has adopted proxy voting policies and procedures for voting proxies on behalf of the Funds. Clients may obtain a copy of Engine's proxy voting policy upon request. Clients may also request information about how the Client's proxies were voted.

Engine carefully evaluates proposals subject to shareholder voting for each Fund portfolio company and makes a best effort attempt to vote securities held by the Funds in the best interests of the Fund and in a manner intended to maximize current or long-term value, as appropriate under the circumstances. Firm procedures also require that Engine identify and address conflicts of interest between its related persons and the Funds. If a material conflict of interest exists, the Firm will determine whether voting in accordance with the guidelines set forth in its procedures is in the best interests of the Fund or whether taking alternative action may be more appropriate.

Should a material conflict arise between the Firm's interest and that of its Clients, the Firm will vote the proxies in accordance with its fiduciary duty to its Clients. A written record will be maintained describing the conflict of interest, and an explanation of how the vote taken was in the Client's best interest. Engine may refrain from voting a proxy if the cost of voting the proxy exceeds the expected benefit to the Client.

Item 18 Financial Information

A. BALANCE SHEET REQUIREMENT

A balance sheet is not required to be provided because Engine does not serve as qualified custodian for Client's funds or securities, and does not require prepayment of fees of more than \$1,200 per Client, six (6) months or more in advance.

B. FINANCIAL CONDITION

Engine does not have any financial impairment that will preclude it from meeting contractual commitments to Clients.

C. BANKRUPTCY PETITION

The Firm has not been the subject of a bankruptcy petition at any time during the last 10 years.

Privacy Policy

Engine does not disclose nonpublic personal information about its Clients or former Clients to third parties other than as described below. Engine collects information about its Clients (such as name, address, social security number, assets and income) from the Firm's discussions with Clients, from documents that Clients may deliver to the Firm (such as subscription documents) and in the course of providing services to Clients. In order to service Clients' accounts and effect investment transactions, Engine may provide Clients' personal information to the Firm's affiliates and to firms that assist Engine in servicing Client accounts and have a need for such information, such as brokers, distributors, legal counsel, fund administrators, or accountants. Engine does not otherwise provide information about Clients to outside firms, organizations, or individuals except as required or permitted by law. Any party that receives this information will use it only for the services required and as allowed by applicable law or regulation, and is not permitted to share or use this information for any other purpose.

Brochure Supplement
(Part 2B of Form ADV)

ARNAUD AJDLER
Investment Adviser Representative

Engine Capital Management, LP
1345 Avenue of the Americas, 33rd Floor
New York, NY 10105
Telephone: (646) 392-8863

This Brochure Supplement provides information about the qualifications of Arnaud Ajdler, the Investment Adviser Representative of Engine Capital Management, LP ("Engine" or the "Firm"). If you have any questions about the contents of this brochure, please contact us at (646) 392-8863 or mdiagonale@enginecap.com.

Additional information about the Firm's IARs also is available on the SEC's website at www.adviserinfo.sec.gov. You can search this site by a unique identifying number known as a CRD number. Arnaud Ajdler's CRD number is 6215687.

January 1, 2020

A. General Requirements

Generally, Engine requires employees to hold a college or advanced degree or have relevant working experience in the securities industry. Any employee of Engine acting in a representative capacity will be appropriately licensed or registered as such.

B. Investment Adviser Representative Information

Engine currently has one (1) Investment Adviser Representative. This Brochure Supplement provides information about **Arnaud Ajdler**, the Firm's sole Investment Adviser Representative.

Item 2 Education and Business Experience

CRD Number: 6215687

Year of Birth: 1975

Mr. Ajdler is the Managing Principal of Engine Capital Management, LP, which he founded in March 2013 (previously, Engine Capital Management, LLC). Prior to that, Mr. Ajdler was a senior managing director and a partner at Crescendo Partners, a value-oriented activist investment firm from 2003 to 2013. Mr. Ajdler is also an adjunct professor at the Columbia Business School where he teaches a course in Value Investing. Mr. Ajdler has been a board member and chair of the compensation committee of Hill International (NYSE: HIL) since October 1, 2018, as well as a director and member of the audit and compensation committees of Recro Pharma (Nasdaq: REPH) since March 2019.

Mr. Ajdler has served as a director and member of the compensation committee of Stewart Information Services Corporation (NYSE: STC) from May 2014 to December 2019, a director, chair of the corporate governance and nominating committee and member of the audit committee of Charming Shoppes, Inc. from 2008 until the company was acquired in June 2012 by Ascena Retail Group Inc., as a director and member of the audit committee of Imvescor Restaurant Group Inc (TSX: IRG) from July 2013 to March 2016, as a director and member of the compensation committee of StarTek, Inc. (NYSE: SRT) from May 2015 to March 2018, as a director and member of the compensation committee of Destination Maternity (Nasdaq: DEST) from March 2008 to October 2017 (and as its non-executive chairman from February 2011 to October 2017), as a director and a member of the compensation and human resources committee of O'Charley's Inc. from March 2012 until the Company was acquired in April 2012 by Fidelity National Financial Inc., and as a director and a member of the audit committee of The Topps Company from August 2006 until the company was acquired in October 2007 by Madison Dearborn Partners, LLC and an affiliate of Michael Eisner. Mr. Ajdler has also served as a board observer and assistant to the Chairman of Computer Horizons Corp., a Nasdaq-listed company from 2005 to 2008. Since its inception in June 2006, Mr. Ajdler has served as a director and the Secretary of Rhapsody Acquisition Corp., an OTC Bulletin Board-listed blank check company formed to effect a business combination with an operating business. Rhapsody completed its business combination with Primoris Services Corp. in July 2008 and until 2010, Mr. Ajdler served as a Board observer of the surviving company, a Nasdaq-listed company. From June 2004

until June 2006, Mr. Ajdler also served as the Chief Financial Officer, a director and the Secretary of Arpeggio Acquisition Corporation. Arpeggio completed its business combination with Hill International, Inc. in June 2006, and until June 2009 Mr. Ajdler served as a director of the surviving company, a NYSE listed company.

Mr. Ajdler worked as a management consultant for Mercer Management Consulting from January 2000 to June 2001, Boston Consulting Group from June 1999 to August 1999 and Deutsche Bank from June 2002 to August 2002. Mr. Ajdler received a B.Sc. in mechanical engineering from the Free University of Brussels, Belgium, an SM in Aeronautics from the Massachusetts Institute of Technology and an MBA from Harvard Business School.

RELATED BUSINESS EXPERIENCE:

Manager

Engine Capital Management GP, LLC,
general partner of Engine Capital Management, LP (2018 – present)

Managing Member

Engine Capital Management, LLC (2013 – 2018)

Senior Managing Director & Partner

Crescendo Partners (2003 – 2013)

Item 3 Disciplinary Information

Arnaud Ajdler does not have any legal or disciplinary events material to a Client's or prospective Client's evaluation.

Item 4 Other Business Activities

Arnaud Ajdler currently serves on the Board of Directors of Recro Pharma, Inc. and Hill International, Inc.

Item 5 Additional Compensation

Arnaud Ajdler does not receive any other economic benefit from any third party for providing advisory services.

Item 6 Supervision

Arnaud Ajdler is the Managing Member and sole Investment Adviser Representative of Engine. Mr. Ajdler is responsible for providing advice to the Clients. The Firm has adopted written supervisory procedures that are designed to supervise the activities of its supervised persons. The Firm will administer its supervision through application of its policies. As of January 1, 2020, the Firm has only one Investment Adviser Representative,

Mr. Ajdler. Marc Diagonale, Chief Financial Officer and Chief Compliance Officer shall supervise all Investment Adviser Representatives. Mr. Diagonale will periodically review the Firm's guidelines and advisory services it provides.

Item 7 Requirements for State-Registered Advisers

A.1 Arbitration Claims

None. Arnaud Ajdler has not been found liable in any arbitration claim alleging damages in excess of \$2,500 involving an investment or investment-related business or activity, fraud, false statements or omissions, theft, embezzlement or other wrongful taking of property, bribery, forgery counterfeiting or extortion or dishonest, unfair or unethical practices.

A.2 Self-Regulatory Organization or Administrative Proceedings

None. Arnaud Ajdler has not been found liable in any civil, self-regulatory organization or administrative proceeding involving an investment or investment related business or activity, fraud, false statements or omissions, theft embezzlement or other wrongful taking of property bribery, forgery, counterfeiting, or extortion; or dishonest, unfair or unethical practices.

B. Bankruptcy Petitions

None. Arnaud Ajdler has not been the subject of a bankruptcy petition at any time during the last 10 years.