

BROCHURE

(Form ADV Part 2A)

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March 30, 2020

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

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

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

MATERIAL CHANGES (Item 2)

Material Changes Since Last Update

This version of our Brochure dated March 30, 2020 is our annual updating amendment. The following are the material changes since our last update in July of 2019:

Assets Under Management

We have updated our assets under management as required by regulations. We currently* manage \$98,829,117 in client assets. All client assets are managed on a discretionary basis. *Our asset under management calculations are as of December 31, 2019.

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

We have added additional details regarding our method of analysis and investment strategies and the material risks associated with our investment strategies.

General Revisions

We have included additional disclosures regarding the conflicts of interests associated with our business practices. We have also revised some language and content herein to ensure that our disclosures are clear and concise.

Full Brochure Available

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

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

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ADVISORY SERVICES (Item 4)

About Our Business

Kanen Wealth Management LLC (referred to herein as “we,” “us,” or “our”) is a wealth management firm that offers portfolio construction advice, recommends market-responsive investment strategies, and provides investment management services to a pooled investment vehicle. We began managing our clients’ investments and providing financial advice in February of 2016. Our principal place of business is located in the state of Florida. As of July 22, 2019, our firm is registered pursuant to the investment advisor laws and regulations of the U.S. Securities and Exchange Commission. We also conduct advisory business in the states of California, New York, Pennsylvania, Texas, and Virginia. David L. Kanen is the principal owner and chief compliance officer.

Types of Advisory Services

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

1. Portfolio Management Services

We offer investment management services, portfolio construction, and other advisory services to meet a client’s investment goals and objectives. Our portfolio management strategies encompass recommendations that align with a value-based investment philosophy that primarily utilizes undervalued equities that have long-term growth expectations. We consider a client’s net worth or annual income, other financial circumstances, and comprehensive investment goals when providing advice and making recommendations. We typically recommend small-cap equities, common stock, preferred stocks, and fixed income securities to implement our portfolio management strategies. Our client portfolios are monitored actively for the requisite tactical responses to market and economic variations.

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

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

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

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

3. Alternative Investments Advisement

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

Tailored Services

1. Portfolio Management Services

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

2. Pooled Investment Vehicles

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

3. Alternative Investments Advisement

Our alternative investment advisement services incorporate the financial circumstances, needs, objectives, goals, and risk tolerance of a client.

Wrap Fee Programs

We are not a participant in any wrap fee program.

Assets under Management

We currently* manage \$98,829,117 in client assets. All client assets are managed on a discretionary basis.

*Our asset under management calculations are as of December 31, 2019.

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

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

1. Fees for Portfolio Management Services

Our fee schedule for portfolio management services is as follows:

Kanen Wealth Management LLC – Portfolio Management Fee Schedule

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

Sample Fee Calculation:

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

\$2,500,000 @ 2.0%

\$2,500,000 @ 1.5%

\$2,000,000 @ 1.0%

(Effective blended rate of 1.54%)

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

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

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

For services to the Fund, we charge investors an annual investment management fee (“management fee”) of two percent (2%). The management fee is payable quarterly in advance, at the rate of 0.5%.

(b) Performance Based Fees

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

3. Fees for Alternative Investment Advisement

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

Billing Procedures

Our specific billing procedures are as follows:

1. Billing for Portfolio Management Services

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

At the beginning of each quarterly billing period, we transmit our advisory fee calculations electronically to the account custodian. The fee calculation data includes information regarding the amount of advisory fees to be withdrawn, the market value of the assets on which advisory fees are based, and the specific manner in which advisory fees are calculated. Additionally, the account custodian will send each client an account statement at least quarterly, showing total deductions, including advisory fees assessments by our firm. By agreement and the client's written authorization incorporated in our advisory agreement, advisory fees are deducted directly from the client's specified account(s).

2. Billing for Services to the Fund

(a) Management Fees

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

(b) Performance-based Fees

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

3. Billing for Alternative Investment Fund Advisement

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

Other Fees & Expenses

Clients will also incur additional third-party fees and expenses ("third party fees") related to the management of investments and advisory service provisions. These fees may include but are not limited to no-load mutual fund ticket charges, brokerage transaction costs, deferred sales charges on previously purchased mutual funds, IRA maintenance fees, and other legal or transfer fees. The account custodians, broker-dealers, mutual fund companies, and others who provide account services charge these fees, and clients are responsible for payment of all third-party fees and expenses. Please note that as of the date of this Brochure, our account custodian does not assess transaction costs for trades in equity securities (i.e., stocks, exchange-traded funds, etc.). Also, clients whose assets are invested in mutual funds, exchange-

traded funds, money market mutual funds, closed-end funds, and other investment company securities will incur additional expenses. These are direct expenses of the investment company that issues the security but a cost that is borne by investors (clients). The specific fees and expenses are outlined in the prospectus for each investment company security.

It is important to note that the advisory fees paid to our firm are separate and distinct from the maintenance fees and transaction expenses charged by these third parties. Please also refer to Item 12, Brokerage Practices, for information regarding our account custodian.

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

Refund Policy

Portfolio Management Services

Alternative Investment Advisement

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

The Fund

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

Other Compensation

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

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

Performance-Based Fees

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

on behalf of the Fund than we might otherwise make in the absence of such performance-based compensation.

The performance allocation is only assessed to investors in the Fund who meet specific suitability and net worth qualifications such as “accredited investor” as defined in Rule 501(a) of Regulation D under the Securities Act of 1933 (the “Securities Act”) and “qualified client” as defined in Rule 205-3 under the Investment Advisers Act of 1940 (the “Adviser’s Act”).

As of August 16, 2016, the qualifications for investors who meet the definition of qualified client and therefore, qualify for performance allocation, if applicable, are as follows:

- (a) A natural person who, or a company that, immediately after entering into an advisory contract has at least \$1,000,000 in assets under the management with our firm; or
- (b) A natural person who (and any person acting on his behalf), or a company that, immediately prior to entering into an advisory contract (and for whom we have been able to make a reasonable determination) has a net worth (including assets held jointly with a spouse) of more than \$2,100,000.

Side-by-Side Management

Our firm conducts side-by-side management of client portfolios and the Fund.

Client portfolios are not assessed performance-based fees, and as indicated above, we are compensated by a performance allocation from each investor’s interest in the Fund.

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

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

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

TYPES OF CLIENTS (Item 7)

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

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

The Fund requires a minimum capital contribution of \$250,000. Investors in the Fund must meet specific suitability and net worth qualifications such as “accredited investor” as defined in Rule 501(a) of Regulation D under the Securities Act of 1933 (the “Securities Act”) and “qualified client” as defined in Rule 205-3 under the Investment Advisers Act of 1940 (the “Adviser’s Act”). Some exceptions apply, please review the

Fund's PPM for additional details.

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

Methods of Analysis and Investment Strategies

We utilize a variety of methods to analyze investments, including fundamental and technical analysis.

Our primary sources of information include but are not limited to financial newspapers and magazines, the inspection of corporate activities, research materials prepared by others, and annual reports, prospectuses, and corporate filings with the U.S. Securities and Exchange Commission.

Fundamental analysis consists of calculating financial ratios, as well as reviewing cyclical trends of industries in conjunction with monetary policy indicators to assess the overall performance and profitability of markets and companies. We conduct a fundamental analysis of selected stocks, research economic and stock market trends, and follow specific technical indicators to determine when to buy and sell shares. We search for stocks that have growth potential but are selling at a discount to their calculated intrinsic value. Intrinsic value is a calculation based on a company's estimated free cash flow, and that number is mathematically discounted back to a current value. For high growth stocks, the discount must be greater than that for dividend-paying and slow-growing stocks.

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

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

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

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

Material Risks of Methods of Analysis and Investment Strategies

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

Analogous risks exist with respect to analyzing securities and implementing advice and strategies based on

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

There are also additional inherent risks associated with our investment recommendations and strategies. While we intend to recommend and buy undervalued (according to their intrinsic value) stocks of well-established companies that are among the leaders in their market sector, the stock may not perform as expected. We make every attempt to hold these stocks as long as their discounted intrinsic value continues to increase, and they maintain their financial strength, superior management, and dominance in the marketplace. On the other hand, we will sell all or a portion of a stock position when the stock falters based on our evaluation system, or the expectations for the economy or overall investment conditions appear unfavorable. We attempt to minimize the effect on client accounts during protracted market downturns, which sometimes means selling stocks to retain the investment gains realized during favorable economic and investment conditions and buy others that have better financial results. Actively buy and selling stocks, and other investments also involve timing risks. This proactive management style (actively monitoring and immediate response to market events) does have the risk of higher brokerage costs (although currently there are no costs for brokerage transactions in equity securities) and underlying tax implications that, in due course, can affect investment performance and returns. Advisory clients typically face the following investment risks:

- **General Market Risks.** Markets can, as a whole, go up or down on various news releases or for no explicable reason. This uncertainty means that at times, the price of specific securities could go up or down without real cause and may take some time to recover any lost value. Adding additional securities may not help to minimize this risk since all securities may be affected by market fluctuations. Market fluctuations will ultimately affect a client's portfolio holdings.
- **Interest Rate Risks.** Changes in interest rates will affect the value of a portfolio's holdings invested in fixed-income securities. The value of fixed income securities is more inclined to decrease as interest rates increase. This decrease in value may not be offset by income from new investments or other portfolio holdings. Interest rate risk is generally greater for fixed-income securities with longer maturities or durations.
- **Inflation Risks.** When any type of inflation is present, a dollar will be worth more today than a dollar next year, because purchasing power is eroding at the rate of inflation.
- **Credit Risks.** An issuer or guarantor of a fixed-income security may be unable or unwilling to make timely payments of interest or principal or to honor its obligations otherwise. The issuer or guarantor may default, causing a loss of the full principal amount of a security. The degree of risk for a particular security may be reflected in its credit rating. There is the possibility that the credit rating of a fixed-income security may be downgraded after purchase, which may adversely affect its value and a client's portfolio holdings.
- **Financial Risks.** All companies have exposure to financial risks. Excessive borrowing to finance business operations decreases profitability because the company must meet the terms of its obligations in good and bad economic times. During periods of financial stress, the inability to meet loan obligations may result in bankruptcy and/or declining market value of a company's securities. All businesses are susceptible to financial risks at some point in a business cycle. When we invest in companies that have excessive debt, the financial risk of that company could negatively affect a client's portfolio holdings.
- **Liquidity Risks.** Liquidity is the ability to convert an investment into cash readily. Some investment vehicles are highly liquid, while others are illiquid. For example, Treasury Bills are highly liquid, while real estate is not. Illiquid investments carry more risk than other securities because it can be difficult to sell or liquidate such investments at a fair market price.
- **Time Horizon Risks.** A client may require the liquidation of portfolio holdings at a time earlier than the anticipated stated time horizon. If liquidations occur during a period that portfolio values are low, the

client will not realize as much value as he/she would have, had the portfolio holdings had the opportunity to gain value (or regain its value) as investments frequently do.

- **Reinvestment Risks.** This is the risk that future proceeds from investments may have to be reinvested at a potentially lower rate of return (i.e. interest rate). This primarily relates to fixed income securities.
- **Concentration Risks.** Our investment strategies utilize high concentrations of equities. Investing in growth assets specifically equities is inherently risky, but to an even greater degree than fixed income investments. Equities and other high volatility asset classes are unforgiving if time horizon, risk tolerance, and financial needs are not considered. Client accounts that are invested in high concentrations of certain securities generally lack diversification and can thereby lead to higher degrees of risk.
- **Asset Allocation Risks.** The asset classes represented in a client's portfolio holdings can perform differently from each other at any given time, as well as over the long term. A client's portfolio holdings will be affected by the allocation among equity securities (stocks), fixed income securities (bonds), cash equivalents and occasionally, alternative investments. If any asset class that comprises a client's holdings underperforms, the performance of other asset classes may suffer.
- **Equity Securities Risks.** Equity securities such as common stocks are subject to changes in value that may be attributable to market perception of a particular issuer or general stock market fluctuations that affect all issuers. Investments in equity securities may be more volatile than other types of investments.
- **Alternative Investment Risks.** Alternative investments are customarily illiquid. Generally, these investments are issued by companies that are not publicly traded, and consequently, in most cases, there is no public market for the shares or interests. Alternative investments are long term investment vehicles that are highly speculative and only suitable for clients whose financial circumstances can endure significant losses. Investments in alternative strategies involve various additional risk factors, including, but not limited to, the potential for complete loss of principal, liquidity constraints, and lack of transparency.
- **Regulatory and Governmental Risk.** Changes in laws and regulations can change the value of securities. Certain industries are more susceptible to government regulation. If portfolio holdings are invested heavily in a particular sector or industry, correlating changes in zoning, tax structure, or specific industry regulations could have an impact on returns or holdings.
- **Reliance on Advisor.** The performance of clients' portfolio holdings depends on the skill and expertise of our firm's staff to make appropriate investment decisions. The success of client portfolios depends upon our firm's ability to develop and implement investment strategies and to apply investment techniques and risk analyses that achieve a client's investment objectives. Subjective decisions made by us may cause portfolios to incur losses or to miss profit opportunities on which it may otherwise have capitalized. For example, our portfolios may include customized investment features that may impact the specific investment strategies implemented.
- **Business Continuity Risk.** In the event of a significant business disruption, unforeseeable event, or natural disaster that causes total or partial outage affecting our offices or a technical problem affecting applications, data centers or networks, our investment management activities may be adversely impacted. Service providers may also fail to perform, and our ability to conduct business may be curtailed by any disruption in the infrastructure that supports our operations.

To mitigate such risks, we have adopted a business continuity plan to implement recovery strategies that are designed to maintain critical functions and limit the impact of any business interruption or disaster, on client activities or business transactions.

More Specific Risks relative to the Fund

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

Notwithstanding the method of analysis or investment strategy employed by our firm, the assets within an investment portfolio are subject to the risk of devaluation or loss. There is no guarantee that portfolio holdings or investment assets will achieve the desired investment objectives. Please be aware that many

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

INVESTING IN SECURITIES INVOLVES A RISK OF LOSS THAT CLIENTS SHOULD BE PREPARED TO BEAR. CLIENTS MAY LOSE ALL OR A SUBSTANTIAL AMOUNT OF THEIR INVESTMENT.

Recommendation of Specific Types of Securities

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

DISCIPLINARY INFORMATION (Item 9)

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

OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS (Item 10)

Financial Industry Activities

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

Financial Industry Affiliations

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

Other Affiliations

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

Also, if our principals, affiliates, shareholders, members, partners, managers, directors, officers and employees serve as directors of, or in a similar capacity with, companies in which the Fund invests, such persons may acquire fiduciary duties to the company and its other shareholders. These fiduciary duties may compel us to take actions that, while in the best interest of the company and/or its shareholders, may not be in the best interest of the Fund. Accordingly, in the foregoing instances, we would have potential conflicts of interest between the fiduciary duty (if any) that we owe to such companies and its shareholders and the fiduciary duty we owe to the Fund because we are incentivized by our financial and pecuniary interest to make decisions that are in best interest of the Fund.

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

David L. Kanen is a licensed insurance agent. Although currently licensed as an insurance agent, Mr. Kanen does offer or sell insurance products to clients. In the event of a client inquiry regarding insurance products, Mr. Kanen will refer the client to other licensed insurance agents.

If Mr. Kanen were to conduct activities as an insurance agent and investment advisor representative, acting in dual roles (insurance agent and investment advisor representative) and receiving compensation in dual roles, would create conflicts of interest for our firm. We mitigate this conflict by declining to offer insurance products.

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

Other Investment Advisers

We do not recommend other investment advisors to our clients.

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

Code of Ethics

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

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

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

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

Participation or Interest in Client Transactions

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

Personal Trading

Proprietary Trading

We will, at times, buy or sell securities for our firm account and personal accounts of our employees that we have also recommended to advisory clients. However, we adhere to trading restrictions related to beneficial ownership in publicly traded securities. We document transactions that could be construed as a conflict of interest. Conflicts of interest relative to trades for our firm account or employees (“personal accounts”) may present in many different contexts. Some conflicts of interest related to personal trades include trading ahead to obtain a better transaction execution price than clients, recommendations or trades based on financial interest, trading on information that is not available to the public, or structuring transactions in a manner so that the results are profitable for the firm’s account or an employee’s (or any related) account. To mitigate or remedy any conflicts of interest or perceived conflicts, we monitor internal trading reports for adherence to our Code of Ethics.

Simultaneous Trading

We are likely, from time to time, to buy or sell investments for our firm account and the personal accounts of our employees at or around the same time as clients. As summarized above, our Code of Ethics requires us to (1) act in accordance with all applicable federal and state regulations, (2) act in the best interest of clients, (3) pre-clear transactions in private placements, or initial public offerings, and (4) review of personal securities transactions by employees to confirm adherence. Our chief compliance officer performs this review. In any instance where similar securities are purchased or sold, we will uphold our fiduciary duty by ensuring that transactions are beneficial to the interest of our clients.

Moreover, due to the types of investors in the Fund, we may trade in securities that are issued by investors in the Fund, which creates conflicts of interest. To avoid such conflicts, when we become aware of an investor's position with a publicly-traded company, we will add that company to the list of company names that we are prohibited from trading (our "restricted list"). The inability to make purchase securities of companies on the restricted list may lead to the loss of investment opportunities that are beneficial to the Fund.

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

BROKERAGE PRACTICES (Item 12)

Selection and Recommendation

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

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

Our firm is independently owned and operated and is not affiliated with Schwab. Schwab provides brokerage, operational support, and other custodial services to our firm. Schwab may also provide additional services that assist us in managing or growing our advisory business. These services are available to our firm at no cost. Therefore, as a result of our established service agreement, cost implications, operational support, and custodial and other services provided, Schwab receives preferential status in the recommendation of custodians to clients who engage us for portfolio management services. Our firm is independently owned and operated and not affiliated Schwab. Schwab provides brokerage, operational support and other custodial services to our firm..

While we recommend that advisory clients use Schwab as an account custodian, clients ultimately decide whether to do so. Clients will open an account by entering into an account agreement directly with Schwab. We do not open the account, although we may assist clients in doing so. As outlined in Item 5, Other Fees & Expenses, there are other costs and expenses related to the management of the investments and advisory service provisions.

Although Schwab generally does not charge clients separately for custody services, it is generally compensated by charging transaction fees on trades and assessing account maintenance fees. Schwab is also compensated by the interest it earns on the uninvested cash (i.e., Schwab money market mutual funds) in client accounts and may be compensated by our clients' investments in other products and services offered through Schwab Advisor Services™.

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

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

1. Soft Dollar Benefits

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

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

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

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

2. Brokerage for Client Referrals

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

3. Directed Brokerage

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

Order Aggregation Policy

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

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

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

1. No supervised person of our firm shall prefer his or her own account or any account of beneficial interest to that of an advisory client.
2. No supervised person or employee of our firm shall buy or sell securities for his or her personal portfolio(s) where the decision is by reason of information obtained as a result of his or her employment unless the information is also available to the investing public upon reasonable inquiry.
3. We maintain a list of all securities holdings and transactions for our firm, and supervised person associated with our advisory practice with access to advisory recommendations. The holdings and transaction information is reviewed regularly by David L. Kanen, Chief Compliance Officer.
4. We emphasize the client's unrestricted right to decline to implement any advice rendered by our firm, except in situations where the client has granted our firm discretionary authority to manage accounts and has not designated any trading restrictions.
5. Personal securities transactions in private placements and initial public offerings (IPOs) for our supervised persons require pre-clearance by the chief compliance officer.
6. We require that all supervised persons act in accordance with applicable federal and state regulations governing our investment advisory practices.
7. Any supervised person not in observance of the foregoing policy will be subject to disciplinary action up to and including termination.

Order Aggregation and Allocation Procedures

1. Policies for the aggregation of transactions are fully disclosed in this Brochure (Form ADV Part 2);
2. Our firm will not aggregate transactions unless we believe that aggregation is consistent with our duty to seek best execution (which includes the duty to seek best price) for our clients and is consistent with the terms of our investment advisory agreement with each client for which trades are being aggregated;
3. No advisory client will receive preferential treatment. We prepare a written allocation statement specifying the accounts participating in each aggregated order and the anticipated allocation among the accounts if the order is filled in its entirety. If the order is filled partially, allocations among the accounts will be made according to our judgment of the best interest for each client, and such allocation decisions will be documented. For example, if an order is filled partially, orders for portfolio management clients will be allocated before transactions for the personal accounts of our supervised persons.
4. Each client participating in a block trade will pay or receive the average price for all shares included in the aggregated transaction with costs shared pro-rata although as of the date of this Brochure there are no transaction costs for trades of equity securities on the Schwab platform;
5. Any change to a proposed allocation must treat each client fairly and equitably. The change must be explained in writing and approved by our chief compliance officer promptly (generally no later than one hour) after the opening of the markets on the trading day following the day the order was executed;
6. Our firm will receive no additional compensation of any kind as a result of aggregating orders; and
7. Our books and records will reflect each aggregated order and allocation statement separately and will document the accounts participating in such order aggregation and subsequent allocation.

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

Trade Away Securities Transactions (Trading Away)

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

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

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

REVIEW OF ACCOUNTS (Item 13)

Periodic Reviews

Our criteria for reviewing client accounts are as follows:

1. Review of Portfolio Assets

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

2. Review of Fund Assets

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

3. Ongoing Evaluation of Alternative Investments

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

Intermittent Review Factors

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

Client Reports

Portfolio Management Clients

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

The Fund

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

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

CLIENT REFERRALS AND OTHER COMPENSATION (Item 14)

Economic Benefits for Advisory Services

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

Compensation for Client Referrals

We do not compensate any person for referrals.

CUSTODY (Item 15)

Custodian of Assets

Our firm does not hold physical custody of client funds or securities. We require that qualified custodians hold client assets. For more information regarding the account custodian (broker-dealer) that services our accounts, please review Item 12, *Brokerage Practices*.

Our firm has custody of client funds and securities because in our capacity as general partner to the Fund, we have access to such funds or securities. Please review the account statements section below for details regarding the custody-related internal controls and reporting requirements of the Fund. We also have indirect custody of client funds and securities because of our authorization and ability to deduct advisory fees directly from our clients' accounts. Nonetheless, we have implemented the safeguard requirements by requiring the safekeeping of clients' funds and securities by a qualified custodian.

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

Account Statements

Portfolio Management Services

The account custodian will send monthly or quarterly electronic notifications regarding the availability of account statements. Clients are advised to review account statements carefully, comparing asset values, activity, holdings, allocations, performance, and advisory fees on current statements to that in previously received account statements and confirmations.

Investment Management Services to the Fund

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

INVESTMENT DISCRETION (Item 16)

Discretionary Authority

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

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

and this authority is generally only used for clients who specifically request that we implement investment strategies pursuant to non-discretionary authority.

VOTING CLIENT SECURITIES (Item 17)

Portfolio Management Clients

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

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

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

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

The Fund

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

Conflicts of Interest

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

FINANCIAL INFORMATION (Item 18)

Balance Sheet Requirement

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

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

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

Bankruptcy Petition Filings

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

ADDITIONAL DISCLOSURES

This section covers other conflicts of interest related to our business, not specifically mentioned previously. If you have any questions regarding the conflicts of interest listed below, please do not hesitate to request additional details or clarification.

Retirement Plan Rollovers

Existing clients or prospective clients leaving an employer typically have four (4) options regarding assets in an existing retirement plan:

1. roll over the assets to the new employer's plan, if available, and rollovers are permitted;
2. leave the assets in the former employer's plan if allowed;
3. roll over the assets to an Individual Retirement Account ("IRA"); or
4. cash out the account value (adverse tax consequences may be applicable).

If we recommend that a client roll over retirement plan assets into an account to be managed by our firm, such a recommendation creates a conflict of interest because we will earn an advisory fee as a result of the rollover. As a fiduciary, we are required to ensure that such a recommendation is in a client's best interest.