

Ancient Art, L.P.

ADV Part 2A – Firm Brochure

500 W 5th Street
Suite 1110
Austin, TX 78701
www.tetoncapital.net

March 30, 2020

This brochure provides information about the qualifications and business practices of Ancient Art, L.P. If you have any questions about the contents of this brochure, please contact us by email at info@tetoncapital.net. 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 Ancient Art, L.P. is also available on the SEC's website at www.adviserinfo.sec.gov.

Ancient Art, L.P. is a registered investment advisor with the United States Securities and Exchange Commission. This registration does not imply any level of skill or training.

Item 2 Material Changes

Since our previous ADV, dated March 29, 2019, there have been no material changes. As of December 31, 2019, the Net Assets Under Management increased to \$1,227.1 million.

Item 3 Table of Contents

Item 1 – Cover Page.....	1
Item 2 – Material Changes.....	2
Item 3 – Table of Contents.....	3
Item 4 – Advisory Business.....	4
Item 5 – Fees and Compensation.....	4
Item 6 – Performance-Based Fees and Side-By-Side Management.....	6
Item 7 – Types of Clients.....	6
Item 8 – Methods of Analysis, Investment Strategies and Risk of Loss.....	6
Item 9 – Disciplinary Information.....	10
Item 10 – Other Financial Industry Activities and Affiliations.....	10
Item 11 – Code of Ethics, Participation or Interest in Client Transactions and Personal Trading.....	11
Item 12 – Brokerage Practices.....	12
Item 13 – Review of Accounts.....	13
Item 14 – Client Referrals and Other Compensation.....	14
Item 15 – Custody.....	14
Item 16 – Investment Discretion.....	15
Item 17 – Voting Client Securities.....	15
Item 18 – Financial Information.....	15

Item 4 Advisory Business

A. Description of the Advisory Firm

Ancient Art, L.P. is a Texas Limited Partnership in accordance with the Texas Revised Limited Partnership Act. The Certificate of Limited Partnership was initially filed with the Secretary of State of the State of Texas on February 22, 2002. The General Partner of Ancient Art, L.P. is Trango II, L.L.C., a Texas limited liability company owned and controlled by Quincy J. Lee.

B. Types of Advisory Services

Ancient Art, L.P. (hereinafter “Ancient Art”) is the sole investment advisor to Teton Capital Partners, L.P. (hereinafter “Teton” or “Fund”), a private pooled fund investing primarily in long/short equity. Teton is the only client of Ancient Art. Investment decisions are based primarily on fundamental bottoms up research.

C. Client Tailored Services and Client Imposed Restrictions

All investment services provided by Ancient Art are for the benefit of Teton. Ancient Art has full investment discretion over Teton’s investments.

D. Wrap Fee Programs

Ancient Art does not participate in a wrap fee program.

E. Assets Under Management

As of December 31, 2019, Ancient Art managed \$1,227.1 million in net assets. All assets belong to Teton.

Item 5 Fees and Compensation

A. Compensation for Advisory Services

Ancient Art is entitled to a management fee from Teton’s Limited Partners, calculated and payable quarterly in advance equal to 0.375% (1.5% per annum) of the net asset value attributable to each Limited Partner determined as of the beginning of each calendar quarter.

Teton’s General Partner, Whitney L.P. (hereinafter “Whitney”), has the discretion to reduce or eliminate the management fee with respect to any Limited Partner. Certain Limited Partners of Teton are subject to lower management fees.

Ancient Art does not charge performance fees. However, Limited Partners of Teton are assessed performance allocations by Whitney at the rate of 20% of net profits and are subject to a “high water mark.” The performance allocation is generally charged to each Limited Partner at the end of each fiscal year. However, in the case of a complete or partial withdrawal, the performance allocation is charged as of the date of the withdrawal on the basis of net profits allocated to such Limited Partner through the withdrawal date (but only with respect to the amount withdrawn on a pro rata basis in the event of a partial withdrawal). Whitney has the discretion to reduce or eliminate the performance allocation with respect to any Limited Partner. Certain Limited Partners of the Fund are subject to lower performance allocations.

Due to the ownership structure, performance allocation arrangements may create an incentive for Ancient Art to make investments that are riskier or more speculative than would be the case in the absence of a performance allocation. Please see Item 10 for more information about the ownership structure. A copy of our ownership structure chart is available upon request.

B. Fees Deducted vs. Billed

Management fees are deducted quarterly in advance from the capital accounts of Teton’s Limited Partners.

C. Other fees

Teton bears all costs and expenses directly related to its investment program, including expenses related to proxies, private placements, brokerage commissions, interest on debit balances or borrowings, custody fees and any withholding or transfer taxes imposed on Teton.

Teton also bears all out-of-pocket costs of its administration, including accounting, audit and legal expenses, costs of any litigation or investigation involving Teton’s activities, and costs associated with reporting and providing information to existing and prospective Limited Partners. However, Whitney and/or Ancient Art may, in its sole discretion, choose to absorb any such expenses incurred on behalf of Teton.

D. Prepayment of Fees

Due to the ownership structure, it is highly unlikely Teton will terminate the advisory services of Ancient Art. Please see Item 10 for more information regarding the ownership structure. In the event of the withdrawal or bankruptcy of Ancient Art, generally Teton will be liquidated.

Teton’s Limited Partners who make a complete or partial withdrawal from their capital accounts prior to the close of business on the last day of the fiscal quarter are not entitled to a refund for the pre-paid portion of the quarterly management fee.

E. Outside Compensation for the Sale of Securities to Clients

Neither Ancient Art nor its representatives accept any compensation for the sale of securities or other investment products, including asset-based sales charges or service fees from the sale of mutual funds to Teton.

Item 6 Performance-Based Fees and Side-By-Side Management

Ancient Art does not charge performance-based fees. However, the Limited Partners of Teton may pay performance allocations to Teton's General Partner, Whitney. Please see Item 5 for more information regarding performance allocations.

More importantly, Ancient Art has only one client, Teton. Accordingly, this account receives a consistent level of service and cannot be influenced positively or negatively by another client having one type of fee schedule vs. another.

Item 7 Types of Clients

Ancient Art has only one client, Teton.

Teton, a section 3(c)(1) exempt fund under the Investment Company Act, is a Partnership comprised of individuals and entities. Generally speaking, the Limited Partners of Teton qualify as accredited investors or qualified clients. A subscription for limited partner interests in Teton should be considered only by persons financially able to maintain their investment and who can accept a loss of their investment.

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

A. Methods of Analysis and Investment Strategies

Ancient Art sets out to identify companies that are valued below their intrinsic value and to supplement those core investments with opportunistic investments in other areas and selected short selling. Ancient Art uses disciplined, fundamental research as part of its integrated top-down, bottom-up investment approach.

Ancient Art takes several steps in an attempt to maximize the return and to avoid higher risk situations for Teton.

Growth Focus on stocks in growing industries or those that have growth niches in stable industries.

Contrarian Opportunities Look for stocks that are “out of favor” or “undiscovered” and are trading at significant valuation discounts relative to their peers and relative to companies with similar growth characteristics in other industries.

Research Perform disciplined fundamental research on those investment ideas that meet the first two criteria and that (for many additional reasons) appear to be attractive investment opportunities. The focus of this research is not only to verify the growth and appreciation potential of each investment, but also to define the level of risk. This research includes a review of reports issued by the company and Wall Street analysts, creation of earnings models to assist in financial forecasting, discussions with key suppliers, customers, and management regarding their growth strategies and expectations.

Depending on conditions and trends in the securities markets and the economy in general, Ancient Art may pursue any objectives, employ any investment techniques or purchase any type of security that it considers appropriate and in the best interests of Teton.

Ancient Art may invest Teton’s assets in any type of investment instrument of domestic or foreign issuers, including but not limited to: preferred stocks, convertible securities, bonds, notes, warrants, rights, and money market instruments. Teton’s assets may at times be fully invested in securities and at other times be held primarily in cash or cash equivalents. There can be no assurance that the Partnership’s investment objectives will be achieved.

B. Material Risks involved

The objective of Ancient Art is to achieve capital appreciation for Teton through investments in securities. Ancient Art uses long term trading, short term trading, short sales, options, and margin transactions. The profitability of this investment program depends to a great extent upon correctly assessing the future course of the price movements of securities and other investments. There can be no assurance that Ancient Art will be able to predict accurately these price movements. There is always a degree of market risk.

Ancient Art makes all trading and investment decisions for Teton. Ancient Art’s management is chosen at the sole discretion of Teton’s General Partner, Whitney. Teton’s Limited Partners have no right or power to take part in the management of Teton’s assets. In the event of the withdrawal or bankruptcy of Ancient Art, generally Teton’s assets will be liquidated.

C. Risks of Specific Securities Utilized

Investing in all securities involves a risk of loss and there can be no assurance that an investment strategy will achieve profitable results. Ancient Art utilizes a variety of investment opportunities including but not limited to: long equity investment, preferred stocks, convertible securities, bonds, notes, warrants, rights, money market instruments, short sales, foreign securities, derivatives, leverage, options trades and illiquid investments. Short sales, foreign securities, derivatives, leverage, options and illiquid investments carry additional material risks beyond standard price fluctuations and are further discussed below.

Short Sales Ancient Art attempts to reduce the overall market risk by maintaining a meaningful percent of its assets in stock, which have been sold short. Stocks considered for short sale will include the stock of companies that have highly leveraged balance sheets coupled with deteriorating industry or company specific fundamentals. Other short sale candidates may be companies with aggressive or fraudulent accounting and companies with questionable business plans and highly promotional management teams. The overall portfolio short component varies but will generally be in the 10%-35% range. Short sales involve significant loss potential since the market price of securities sold short may continuously increase. Ancient Art may mitigate such losses by replacing the securities sold short before the market price has increased significantly.

Foreign Securities Investments in foreign securities involve certain factors not typically associated with investing in U.S. securities, such as risks relating to:

- currency exchange matters, including fluctuations in the rate of exchange between the U.S. dollar and the various foreign currencies and costs associated with conversion of investment principal and income from one currency into another;
- differences between the U.S. and foreign securities markets, including the absence of uniform accounting, auditing and financial reporting standards and practices and disclosure requirements, and less government supervision and regulation;
- political, social or economic instability;
- imposition of foreign income, withholding or other taxes and the extension of credit, especially in the case of sovereign debt.

Derivatives Derivatives may include options contracts, contracts for differences, interest rate swaps, and forward contracts. Derivatives allow an investor to hedge or speculate upon the price movements of a particular security, financial benchmark currency or index at a fraction of the cost of investing in the underlying asset. The value of a derivative depends largely upon price movements in the underlying asset. Therefore, many of the risks applicable to trading the underlying asset are also applicable to derivatives of such asset. However, there are a number

of other risks associated with derivatives trading. For example, because many derivatives are leveraged, and thus provide significantly more market exposure than the money paid or deposited when the transaction is entered into, a relatively small adverse market movement can not only result in the loss of the entire investment, but may also expose Teton to the possibility of a loss exceeding the original amount invested. Derivatives may also expose Teton to liquidity risk, as there may not be a liquid market within which to close or dispose of outstanding derivatives contracts and to counterparty risk. The counterparty risk lies with each party contracted for the purpose of making derivative investments. In the event of the counterparty's default, Teton will only rank as an unsecured creditor and risks the loss of all or a portion of the amounts it is contractually entitled to receive.

Leverage Subject to applicable margin and other limitations, Ancient Art may direct Teton to borrow funds in order to make additional investments and thereby increase both the possibility of gain and risk of loss. Accordingly, the effect of fluctuations in the market value could be amplified.

Options Investing in options can provide a greater potential for profit or loss than an equivalent investment in the underlying asset. The value of an option may decline because of a change in the value of the underlying asset relative to the strike price, the passage of time, changes in the market's perception as to the future price behavior of the underlying asset, or any combination thereof. In the case of the purchase of an option, the risk of loss of an investor's entire investment (i.e., the premium paid plus transaction charges) reflects the nature of an option as a wasting asset that may become worthless when the option expires. Where an option is written or granted (i.e., sold) uncovered, the seller may be liable to pay substantial additional margin, and the risk of loss is unlimited, as the seller will be obligated to deliver, or take delivery of, an asset at a predetermined price which may, upon exercise of the option, be significantly different from the market value.

Illiquid Investments Teton's investments may be very illiquid, and consequently Teton may not be able to sell such investments at prices that reflect Ancient Art's assessment of their value or the amount paid for such investments. Illiquidity may result from the absence of an established market for the investments as well as legal, contractual or other restrictions on their resale and other factors. Additionally, investments in private limited partnerships may prove illiquid. Furthermore, the nature of Teton's investments, especially those in financially distressed companies, may require a long holding period prior to profitability. Teton's Limited Partnership Agreement authorizes its General Partner, Whitney, to make distributions in kind of securities in lieu of or in addition to cash. In the event Whitney makes distributions of securities in kind, such securities could be illiquid or subject to legal, contractual and other restrictions on transfer. Additionally, a Limited Partnership interest in Teton is an illiquid investment. A

subscription for limited partner interests in Teton should be considered only by persons financially able to maintain their investment and who can accept a loss of all of their investment.

Item 9 Disciplinary Information

There are no legal or disciplinary events that are material to the evaluation of Ancient Art or the integrity of its management.

- Neither Ancient Art nor any of its representatives has had any civil or criminal actions brought against them.
- Neither Ancient Art nor any of its representatives has had any administrative proceedings before the SEC, any other federal regulatory agency, any state regulatory agency, or any foreign financial regulatory authority.
- Neither Ancient Art nor any of its representatives has had any proceedings before a self-regulatory organization.

Item 10 Other Financial Industry Activities and Affiliations

A. Registration as a Broker/Dealer or Broker/Dealer Representative

Neither Ancient Art nor its representatives are registered as a broker/dealer or as representatives of a broker/dealer.

B. Registration as a Futures Commission Merchant, Commodity Pool Operator, or Commodity Trading Advisor

Neither Ancient Art nor its representatives are registered as FCM, CPO, or CTA.

Ancient Art and Whitney have filed exemptions to registration with the National Futures Association regarding the operation of Teton pursuant to Regulation 4.12(a)(3) often called the "de minimis" exemption.

C. Relationships Material to this Advisory Business and Possible Conflicts of Interests

Understanding the ownership structure of Teton and Ancient Art is significant as it could create potential conflicts of interest.

Ancient Art provides investment advisory services to Teton. As previously noted, Whitney is the General Partner of Teton. Ancient Art and Whitney are under common ownership and control. Trango II, L.L.C. (hereinafter “Trango”) is the General Partner of both Ancient Art and Whitney. Quincy J. Lee is the sole owner of Trango. Consequently, the performance allocation made to Whitney may create an incentive for Ancient Art to make investments decisions that are riskier or more speculative than would be the case in the absence of such performance allocation.

Teton’s Partnership Agreement requires that Whitney and Ancient Art act in a manner that is considered fair, reasonable and equitable in allocating investment opportunities, but does not otherwise impose any specific obligations or requirements concerning the allocation of time, effort or investment opportunities to Teton.

A detailed organization chart showing ownership and control positions for each of these entities is available upon request for all of Teton’s current and potential Limited Partners.

D. Selection of Other Advisors or Managers and How This Advisor is Compensated for those Selections

Ancient Art does not utilize nor select other advisors or third party managers.

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

A. Code of Ethics

Ancient Art has adopted a Code of Ethics for all supervised persons of the firm describing its high standard of business conduct, and fiduciary duty to Teton. The Code of Ethics covers the following areas: Standards of Conduct, Personal Trading Policy, Reporting Obligations, Use of Confidential Information, Gift and Entertainment Policy, Confidentiality, Outside Business Disclosure, and Compliance Procedures. All supervised persons at Ancient Art must acknowledge the terms of the Code of Ethics annually, or as amended. Teton’s current Limited Partners and potential Limited Partners can review the Code of Ethics upon request.

B. Recommendations Involving Material Financial Interests

Ancient Art does not have material financial interests in any securities recommended to Teton. Likewise, Ancient Art does not intentionally recommend securities of material financial interest to a representative of Ancient Art. Investment decisions are always based on fundamental research and not based on any representative’s personal interest.

C. Investing Personal Money in the Same Security as Client (Teton Capital Partners, L.P.)

Certain representatives of Ancient Art frequently buy and/or sell securities in their personal accounts that are also recommended to the Fund. A detailed Personal Trading Policy preserves the fiduciary duty of all Ancient Art representatives as investment advisor to the client, Teton. Representatives of Ancient Art are aware that their primary fiduciary responsibility is to support the best interests of Teton. Ancient Art maintains documentation of all reportable trades made by representatives in their personal accounts. Additionally, several types of personal trades require approval by Ancient Art prior to a representative's investment. The detailed Personal Trading Policy is included in the Code of Ethics and is available to Teton's current Limited Partners and potential Limited Partners upon request.

Item 12 Brokerage Practices

A. Factors Used to Select Broker/Dealers

Ancient Art considers a number of factors in selecting brokers for Teton's account, including, but not limited to, execution capability, experience and financial stability, cost and quality of services provided.

Research and Soft-Dollar Benefits

Through soft dollar arrangements (where a portion of the trade commission charged to Teton is used to obtain services other than trade execution) Ancient Art may receive research, market-data, and other related services covered under the safe harbor of Section 28(e) in exchange for executing trades. Section 28(e) provides a safe-harbor permitting an investment advisor to cause an account to pay commission rates in excess of those that another broker/dealer would have charged for effecting the same transaction, if the advisor determines in good faith that the commission paid is reasonable in relation to the value of research services provided. Research paid for with soft dollars may be from a broker/dealer or third party.

Because Ancient Art has only one client, use of soft dollars does not create a conflict of interest where one client's trades could benefit a different client's investment decisions.

It is possible that a representative of Ancient Art might use research paid for with soft dollars for a purpose other than researching securities for Teton's investment. For items that Ancient Art determines are mixed-use items, Ancient Art will determine the allocation of cost between soft and hard dollars, and will reimburse Teton for the

portion not related to research. In the event that the amount is inconsequential, Ancient Art may opt not to reimburse Teton.

Ancient Art maintains complete records of soft dollars generated, and the products and services obtained with those soft dollars.

Best Execution

Ancient Art recognizes its responsibility to attain best execution of trades conducted on behalf of Teton. Ancient Art considers the following in determining best execution: generation of investment ideas, financial stability of broker/dealer, ease of correcting errors, quality of reports, access to research, commission structure, accuracy and speed of execution. Ancient Art periodically assesses its broker/dealer relationships to monitor quality of executions.

Brokerage for Client Referrals

Ancient Art is not interested in additional clients or client referrals. Likewise, Ancient Art does not receive client referrals from a broker-dealer or third party.

Clients Directing which Broker/Dealer/Custodian to Use

Ancient Art makes all decisions regarding which Broker/Dealer or Custodian Teton uses.

B. Aggregating Trading for Multiple Clients Accounts

Trades are naturally aggregated as they are all made for the sole client, Teton.

Item 13 Review of Accounts

A. Frequency and Nature of Periodic Reviews

Teton's account is reviewed daily for trade accuracy. Additionally, the account is reviewed regularly for investment strategy, style balance and exposure. Ancient Art's Portfolio Manager, Chief Financial Officer and Chief Compliance Officer conduct these reviews.

B. Non-Periodic Reviews

Additional reviews may be triggered by material market, economic or political events.

C. Content and Frequency of Regular Reports Provided to Clients

Ancient Art's client, Teton, provides regular written reports to its Limited Partners on a monthly, quarterly and annual basis.

Item 14 Client Referrals and Other Compensation

A. Economic Benefits Provided by Third Parties for Advice Rendered to Clients

As discussed in Item 12, Ancient Art may enter into "soft dollar" arrangements with brokerage firms providing Ancient Art with research services in exchange for commissions being directed to the firm. Use of soft dollars is monitored by the Chief Compliance Officer and Chief Financial Officer.

Except as disclosed, Ancient Art does not receive any economic benefit, directly or indirectly from any third party for advice rendered to its sole client, Teton.

B. Compensation for Client Referrals

Ancient Art is not interested in additional clients beyond Teton. Therefore, it does not directly or indirectly compensate any person for client referrals.

Item 15 Custody

Teton's assets are held at Goldman Sachs Global Securities Services, J.P. Morgan Clearing Corp., Samsung Securities Co. Ltd., Interactive Brokers LLC, Macquarie Bank Limited, and The Northern Trust International Banking Corporation. These custodians were chosen based on a combination of their transaction fees, name recognition, credit worthiness, and reporting quality.

Custody reports are sent directly to Teton. Teton provides written reports to its Limited Partners on a monthly, quarterly, and annual basis.

As discussed in Item 10, Ancient Art's General Partner is Trango. Trango is also the General Partner of Whitney. Whitney serves as the General Partner to Teton. Consequently, Trango can be considered to have the authority to move, liquidate and wire Teton's funds. Though Trango does not physically hold any of Teton's assets, it is included in Part 1 of the form ADV as a related person with custody of Teton's cash or securities.

Item 16 Investment Discretion

Ancient Art has full discretionary authority to manage the investments of Teton. This discretionary authority is established in Teton's Private Placement Memorandum.

Item 17 Voting Client Securities

Ancient Art reserves the right to vote on securities owned by Teton. As a general guideline, Ancient Art will vote if Teton owns more than 3% of the common stock of the company and the issue being voted on is of material importance to the value of the investment. Determination of material importance will be decided on a case-by-case basis.

A detailed copy of the proxy voting policy is available to all Partners of Teton.

Item 18 Financial Information

A. Balance Sheet

Ancient Art does not require or solicit prepayment from Teton more than six months in advance and therefore does not need to include a balance sheet with this brochure.

B. Financial Conditions Reasonably Likely to Impair Ability to Meet Contractual Commitments to Clients

Neither Ancient Art nor its management has any financial conditions likely to impair the ability to meet the commitments to Teton.

C. Bankruptcy Petitions in Previous Ten Years

Neither Ancient Art nor its management has been the subject of a bankruptcy petition in the last ten years.