

Item 1. Cover Page

**Brochure of
Makaira Partners, LLC**

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This brochure provides information about the qualifications and business practices of Makaira Partners, LLC (“Makaira”). If you have any questions about the contents of this brochure, please contact us at (858) 626-2929, or info@makairapartners.com. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority.

Additional information about Makaira also is available on the SEC’s website at www.adviserinfo.sec.gov.

Item 2. Material Changes

This item contains material changes since the last update of the brochure.

Since the last annual updating amendment on March 29, 2019, there have been no material changes to the information provided in this Brochure.

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Item 4. Advisory Business

Makaira is a Delaware limited liability company that has been in business since 2007. It serves as a general partner of U.S. investment limited partnerships, as an investment adviser to a Cayman Islands master fund through which a U.S. investment limited partnership and a Cayman Islands fund invests substantially all of its assets in (collectively referred to as the “Funds”). Makaira may in the future serve as an investment adviser with discretionary trading authority over separately managed accounts. Makaira’s managing member, controlling owner and portfolio manager is Thomas M. Bancroft III. As of December 31, 2019, Makaira had total discretionary assets under management of approximately \$503,295,000. Makaira only manages assets on a discretionary basis.

Makaira invests on behalf of its clients primarily in long positions in publicly traded U.S. and non-U.S. common stocks, but is authorized to enter into any type of investment transaction that it deems appropriate under the terms of the client’s partnership or other account agreement. Accordingly, client accounts may also be invested in private securities, preferred stocks, warrants and rights, corporate debt, bonds, notes or other debentures, convertible securities, options, futures, commodities, forward and other derivative instruments, partnership interests and other securities or financial instruments including mutual funds.

The investors in the Funds that Makaira manages have no opportunity to select or evaluate any Fund investments or strategies. Makaira selects all Fund investments and strategies.

Item 5. Fees and Compensation

Makaira’s compensation is negotiable and varies, but typically it charges an annual fee of 1% of assets under management, which amount is payable in quarterly installments at the beginning of each calendar quarter based on the net market value of each client’s account on the date the fee accrues and becomes payable. Makaira also typically is entitled, from each investor in a Fund, to an incentive allocation of 25% of the amount by which net profits or net losses (including both realized and unrealized gains and losses) otherwise allocable to such investor exceed the performance of the S&P 500 Total Return Index. Incentive allocations and fees are assessed only to the extent that cumulative net losses previously allocated to or incurred by investors and clients have been offset by subsequent net profits, and to the extent that any cumulative underperformance of the benchmark has been made up by subsequent overperformance. Incentive allocations are assessed in arrears on an annual basis, and upon withdrawals from client accounts. Makaira complies with Rule 205-3 under the Investment Advisers Act of 1940, to the extent required by applicable law. Incentive allocations and fees may create an incentive for Makaira to make more risky and speculative investments than it would otherwise make.

Makaira deducts fees directly from the Funds.

Client accounts that invest in mutual funds would also pay, indirectly, investment advisory fees to the managers of those funds.

Makaira believes that its fees are competitive with fees charged by other investment advisers for comparable services. Comparable services may be available, however, from other sources for lower fees.

The disclosure in this Item 5, together with the disclosure in Item 12, allow a plan that is subject to the Employee Retirement Income Security Act of 1974 and that invests in an investment limited partnership of which Makaira is general partner, to use the “alternative reporting option” to report Makaira’s compensation as “eligible indirect compensation” on the Schedule C of the plan’s Form 5500 Annual Return/Report of Employee Benefit Plan.

Makaria’s relationship with its investment partnership clients is terminable upon the dissolution of any partnership or Makaira’s withdrawal as its general partner. Makaira’s investment management agreement with its offshore fund client is terminable by Makaira or the Fund at the end of any calendar quarter on 60 days’ notice. Each investor in the Funds may withdraw capital, on at least 60 days’ prior written notice, on the last day of the first calendar quarter that occurs after a one-year lock-up.

In all cases, expenses, the pro rata portion of the management fee and the incentive allocation or fee through the date of termination are charged or billed to the account. All prepaid but unearned advisory fees are refunded on termination of a client’s account. An investor who withdraws from a Fund on a date other than the last day of a quarter, however, does not receive a refund of the management fee previously paid.

Each account is responsible for its own costs and expenses, including legal, accounting, auditing and other professional expenses, investment expenses (such as brokerage commissions, expenses related to short sales, and clearing and settlement charges), custodial fees, bank service fees, administrator fees and expenses, and other expenses related to the purchase, sale or transmittal of the account’s assets. Makaira bears its own operating, general, research, administrative and overhead costs and expenses, other than the expenses described above.

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

Makaira currently manages accounts that pay performance-based compensation as described in Item 5. An account that does not pay performance-based compensation might pay a higher asset-based fee. Regardless, Makaira has a conflict of interest if, in any time period, one fee structure would cause higher fees to Makaira than the other fee structure, because Makaira would have an incentive to favor the account that would pay the higher fees. To address this conflict, Makaira typically allocates all investment opportunities within each strategy on a pro rata basis, based on each account’s assets. In addition, Makaira has policies and procedures to review client account investment allocations on a regular basis.

Item 7. Type of Clients

Makaira provides investment advice to the Funds. Investors in the Funds are required to invest a minimum of \$5,000,000, but Makaira may waive this minimum at its discretion. To the extent Makaira manages a separate account client, Makaira generally requires a minimum of \$15,000,000 to open an account, but may waive this minimum at its discretion. Investors in the Funds and separately managed clients may include high-net-worth individuals, institutions, trusts, endowments and pension plans.

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

Investment Strategy

- Makaira's investment approach is purely fundamental, relying on in-depth quantitative and qualitative analysis and field research.
- Makaira's investment objective is to generate long-term compound annual returns on capital that exceed the returns available from investing in broad market indexes, specifically the S&P 500, while minimizing the risk of permanent loss of capital.
- Makaira focuses on established, well-run companies that have growing businesses with sustainable competitive advantages. Makaira seeks to invest alongside high-quality management teams that think and act like owners, deploy capital intelligently and concentrate on enhancing long-term shareholder value.
- Makaira typically invests in a company only when it believes it is purchasing the company's stock at a discount to Makaira's estimate of intrinsic value. The price should afford an opportunity to generate long-term returns that are significantly above those available in the overall market.
- Makaira seeks to reduce the risk of permanent capital loss and increases the odds of achieving out-performance by concentrating investments in a handful of high quality companies. Depending on market opportunities, Makaira's client accounts generally will own fewer than 25 security positions at any given time, and may own as few as 5.

The investment strategies summarized above represent Makaira's current intentions, are general in nature and are not exhaustive. There are no limits on the types of securities in which Makaira may take positions on behalf of its clients, the types of positions that it may take, the concentration of its investments or the amount of leverage that it may use. Makaira may use any trading or investment techniques, whether or not contemplated by the expected investment strategies described above. In addition, there are limitations in describing any investment strategy due to its complexity, confidentiality and indefinite nature. Depending on conditions and trends in securities and commodities markets and the economy generally, Makaira may pursue any objectives or use any techniques that it considers appropriate and in their clients' interest.

Risk Factors

Investing in securities involves risk of loss that clients should be prepared to bear. Below are some of the risks that investors should consider before investing in any account that Makaira manages. Any or all of such risks could materially and adversely affect investment performance, the value of any account or any security held in an account, and could cause investors to lose substantial amounts of money. Below is only a brief summary of some of the risks that a client or an investor may encounter. Potential investors in a Fund should review such Fund's explanatory memorandum or offering memorandum carefully and in its entirety, and consult with their professional advisers before deciding whether to invest. The risks described below also generally apply to a Separate Account. A potential client should discuss with Makaira's representatives any questions that such person may have before opening an account.

- Client accounts may not achieve their investment objectives. A strategy may not be successful and investors may lose some or all of their investment.

- Investor sentiment on the market, an industry or an individual stock, fixed income or other security is not predictable and can adversely affect an account's investments.
- An account may hold stocks that disappoint earnings expectations and decline, and may short stocks that beat earnings expectations and rise.
- Makaira may not be able to obtain complete or accurate information about an investment and may misinterpret the information that it does receive. Makaira also may receive material, non-public information about an issuer that prevents it from trading securities of that issuer for a client when the client could make a profit or avoid losses.
- Each account's investments are typically concentrated in a few positions and therefore are not significantly diversified. Therefore, a loss in any one position, industry or sector in which a client account has invested may cause significant losses.
- Makaira may acquire for a client a large position in an issuer's securities but the client nevertheless is unlikely to have any control over the issuer's management. In addition, if Makaira holds a large position in an issuer's securities, it could depress the market for those securities.
- Makaira may take positions in securities of small, unseasoned companies that are less actively traded and more volatile than those of larger companies.
- Makaira may engage in hedging, which may reduce profits, increase expenses and cause losses. Price movement in a hedging instrument and the security hedged do not always correlate, resulting in losses on both the hedged security and the hedging instrument. Makaira is not obligated to hedge a client's portfolio positions, and it frequently may not do so.
- Makaira may sell securities short, resulting in a theoretically unlimited risk of loss if the prices of the securities sold short increase.
- Management and stockholders of an issuer may sue short sellers to prevent short sales of the issuer's securities. Makaira could be subject to such actions, even if they are baseless, and clients could incur substantial costs defending them.
- Makaira may use leverage by borrowing on margin, selling securities short and trading derivatives, which increases volatility and risk of loss. Derivative instruments can be difficult to value. An incorrect valuation could result in losses.
- Makaira may cause a client to enter into repurchase agreements or reverse repurchase agreements. These instruments can have effects similar to margin trading and leveraging strategies.
- Makaira may sell covered and uncovered options on securities. The sale of uncovered options could result in unlimited losses.

- Makaira may invest in companies involved in acquisitions, tender offers, work-outs, liquidations, reorganizations, bankruptcies and similar special situations. The timing, success and financial outcome of such transactions are uncertain and depend on numerous factors about which Makaira may not have complete information. If an anticipated transaction does not occur or does not occur in the manner contemplated by Makaira, clients could incur substantial losses.
- Makaira may cause clients to invest in securities of non-U.S., private and government issuers. The risks of these investments include political risks; economic conditions of the country in which the issuer is located; limitations on foreign investment in any such country; currency exchange risks; withholding taxes; limited information about the issuer; limited liquidity; and limited regulatory oversight.
- Changes in economic conditions can adversely affect investment performance. At times, economic conditions in the U.S. and elsewhere have deteriorated significantly, resulting in volatile securities markets and large investment losses. Government actions responding to these conditions could lead to inflation and other negative consequences to investors.
- Some of an account's positions may be or become illiquid, in which case Makaira may not be able to sell such positions.
- An account may invest in restricted securities that are subject to long holding periods or that are not traded in public markets. These securities are difficult or impossible to sell at prices comparable to the market prices of similar publicly-traded securities and may never become publicly traded.
- If a public market does not exist for securities held in client accounts, Makaira will use an independent third party, along with the clients' administrator, to determine their value. If the valuation is inaccurate, Makaira might receive more compensation than that to which it is entitled, a new investor in a fund might receive an interest that is worth less than the investor paid and an investor that is withdrawing assets might receive more than the amount to which the investor is entitled, to the detriment of other investors.
- Counterparties such as brokers, dealers, custodians and administrators with which Makaira does business on behalf of clients may default on their obligations. For example, a client may lose its assets on deposit with a broker if the broker, its clearing broker or an exchange clearing house becomes bankrupt.
- Makaira and its affiliates and agents generally are not responsible to any client or investor in a fund for losses incurred in an account unless the conduct resulting in such loss breached Makaira's fiduciary duty to the client or investor.
- Federal, state and international governments may increase regulation of investment advisers, private investment funds and derivative securities, which may increase the time and resources that Makaira must devote to regulatory compliance, to the detriment of its investment activities.

- There is not and will not be an active market for interests in the Funds. It may be impossible to transfer any such interests, even in an emergency.
- A fund may not be able to generate cash necessary to satisfy investor withdrawals and redemptions. Substantial withdrawals and redemptions in a short period could force Makaira to liquidate investments too rapidly, and may so reduce the size of a fund that it cannot generate returns or reduce losses.
- A fund may limit or suspend withdrawals or redemptions of an investor's assets from the fund under certain circumstances.
- A fund may establish a reserve for contingencies if Makaira considers it appropriate. Investors may not withdraw or redeem assets covered by that reserve until it is lifted.
- No client or investor in a fund has been represented by separate counsel. The attorneys who represent Makaira or its manager do not represent clients or investors. Clients and investors must hire their own counsel for legal advice and representation.
- A fund may dissolve or expel any investor at any time, even if such actions adversely affect one or more investors.
- Makaira, an administrator or any government agency may freeze assets that any of them believes a client holds in violation of anti-money laundering laws or rules or on behalf of a suspected terrorist, and may transfer such assets to a government agency. None of Makaira, a fund or an administrator will be liable for losses related to actions taken in an effort to comply with anti-money laundering regulations.
- The funds do not intend to make distributions, but intend instead to reinvest substantially all income and gain. Therefore, an investor may have taxable income from a fund without a cash distribution to pay the related taxes.
- If the assets that Makaira and its affiliates manage grow too large, it may adversely affect performance, because it is more difficult for Makaira to find attractive investments as the amount of assets that it must invest increases.
- Makaira is not registered with the SEC as a broker-dealer. The equity interests in the funds are not registered under the Securities Act of 1933, and the funds are not registered investment companies under the Investment Company Act of 1940. Makaira believes that none of these registrations is required because exemptions are available under applicable law. If a regulatory authority deems that any of these registrations is required, Makaira and any fund could be subject to expensive legal action and potential termination. In addition, investors in the funds do not have certain regulatory protection that they would have if these registrations were in place.
- Makaira's activities could cause adverse tax consequences to clients and investors, including liability for interest and penalties.

- Makaira’s activities may cause an account that is subject to the Employee Retirement Income Security Act of 1974 to engage in a prohibited transaction under that Act.
- Makaira and its affiliates may spend time on activities that compete with a fund or individually managed client account without accountability to investors or other clients, including investing for other clients and their own accounts. If Makaira receives better compensation and other benefits from managing other assets compared to managing a fund or individually managed account, it has incentive to allocate more time to those other activities. These factors could influence Makaira not to make investments on a client’s behalf even if such investments would benefit the client.
- Individual representatives of Makaira may serve as a member of the board of directors of a company that is the issuer of securities owned by the Funds. In the capacity as board members, such individuals may become subject to fiduciary, reporting or other duties that may adversely affect the Funds. As an example, the Funds may be unable to buy or sell securities if a Makaira representative acting as a board member has knowledge of material, non-public information relating to such issuer.
- Makaira may provide certain investors or clients more frequent or detailed reports, special compensation arrangements and withdrawal or redemption rights that it does not provide to other investors or clients.

The above is only a brief summary of some of the important risks that a client or an investor in a fund may encounter. Before engaging Makaira to provide investment advisory services, you should consider carefully all of the risk factors and other information in the Fund’s offering documents or client account agreement.

Item 9. Disciplinary Information

None.

Item 10. Other Financial Industry Activities and Affiliations

Makaira and its management individuals are not registered as a broker-dealer and have no pending applications.

Potential Conflicts of Interest

From time to time, Makaira may execute cross transactions between two or more accounts for a variety of reasons. As an example, to rebalance one or more portfolios without incurring transaction costs in the open market. To mitigate this conflict, Makaira effects cross transactions when it is deemed to be in the best interest of the participating accounts, taking into account its duty to seek “best execution”. Makaira does not receive any compensation in connection with cross transactions.

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

Makaira has adopted a Code of Ethics in compliance with Rule 204A-1 under the Investment Advisers Act of 1940, which establishes standards of conduct for Makaira's supervised persons. The Code of Ethics includes general requirements that Makaira's supervised persons comply with their fiduciary obligations to clients and applicable securities laws, and specific requirements relating to, among other things, personal trading, insider trading, conflicts of interest and confidentiality of client information. It requires supervised persons to comply with the personal trading restrictions described below and to periodically report their personal securities transactions and holdings to the Chief Compliance Officer, and requires the Chief Compliance Officer to review those reports. It also requires supervised persons to report any violations of the Code of Ethics promptly to the Chief Compliance Officer. Each supervised person of Makaira receives a copy of the Code of Ethics and any amendments to it and must acknowledge in writing having received those materials. Quarterly, each supervised person must certify that he or she complied with the Code of Ethics during the preceding period. Clients and prospective clients may obtain a copy of Makaira's Code of Ethics by contacting Adam Garcia at (858) 626-2929, or agarcia@makairapartners.com.

Under Makaira's Code of Ethics, Makaira and its manager, members, officers and employees can personally invest in securities of the same classes as Makaira purchases for clients and own securities of issuers whose securities that Makaira subsequently purchases for clients. This practice creates a conflict of interest in that any of such persons can use his or her knowledge about actual or proposed securities transactions and recommendations for a client account to profit personally by the market effect of such transactions and recommendations. To address this conflict, Makaira and its officers, members, managers and employees must obtain pre-approval before engaging in most securities transactions. Makaira and its officers, members, managers and employees can also buy or sell specific securities for their own accounts based on personal investment considerations aside from company or industry fundamentals, which Makaira does not believe appropriate to buy or sell for clients.

Makaira may solicit clients to invest in the Funds. In these circumstances, Makaira has an incentive to cause a client to invest in the Funds instead of a separate account because of the reduced expenses and administrative burdens of managing a Fund compared to a separate account, Makaira's performance compensation from the Funds receives more favorable tax treatment than that from a separate account and Fund investors may have less transparency and liquidity than individual account clients.

To the extent Makaira manages more than one account, there could be conflicts of interest over its time devoted to managing any one account and allocating investment opportunities among all accounts that it manages. For example, Makaira selects investments for each client based solely on investment considerations for that client. Different clients may have differing investment strategies and expected levels of trading. Makaira may buy or sell a security for one type of client but not for another, or may buy (or sell) a security for one type of client while simultaneously selling (or buying) the same security for another type of client. Makaira attempts to resolve all such conflicts in a manner that is generally fair to all of its clients. Makaira may give advice to, and take action on behalf of, any of its clients that differs from the advice that it gives or the timing

or nature of action that it takes on behalf of any other client so long as it is Makaira's policy, to the extent practicable, to allocate investment opportunities to its clients fairly and equitably over time. Makaira is not obligated to acquire for any account any security that Makaira or its managers, members, officers or employees may acquire for its or their own accounts or for any other client, if in Makaira's absolute discretion, it is not practical or desirable to acquire a position in such security for that account.

Item 12. Brokerage Practices

A. Factors Used to Select or Recommend Broker-Dealers

Makaira has complete discretion in selecting the brokers it uses for client transactions and the commission rates that clients pay such brokers. Makaira generally allocates portfolio transactions for client accounts to brokers based on best execution and in consideration of certain services provided by the brokers that benefit Makaira and the client accounts. Makaira considers, among other things, alternative market makers and market centers, the quality of execution services, the value of continuing with various soft dollar services and adding or removing brokers, increasing or decreasing targets for each broker and the appropriate level of commission rates. Other factors may include:

- net price, clearance, settlement and reputation;
- financial strength and stability;
- efficiency of execution and error resolution;
- block trading and block positioning capabilities;
- willingness to execute related or unrelated difficult transactions in the future;
- special execution capabilities;
- order of call;
- offering to Makaira on-line access to computerized data regarding clients' accounts;
- computer trading systems; and
- the availability of stocks to borrow for short trades.

In selecting broker/dealers to execute transactions, Makaira need not solicit competitive bids and does not have an obligation to seek the lowest available commission cost. Makaira believes that the broker-dealers that it recommends provide competitive transaction and custody costs, helping clients to eliminate or control costs and optimize the custodial structure to the benefit of account holders. When possible, Makaira seeks to pre-negotiate preferred terms for its clients providing clients with the benefits associated with the economy of scale and custodial knowledge of the firm.

Makaira has retained Wells Fargo Securities, LLC, 555 Tyron St., 6th Floor, D1086-060, Charlotte, North Carolina 28202 to serve as the Funds' prime broker and custodian. The services that the custodian provides as prime broker may include custody, margin financing, clearing, settlement and stock borrowing in accordance with the terms of the prime brokerage agreement. The Funds' other custodian is Northern Trust International Banking Corporation. The custodians have custody of most of the Funds' assets and provides Makaira with other services, which may include capital introduction services, portfolio reporting reconciliation, and access to electronic communication networks. Makaira has a soft dollar arrangement with the prime broker. Makaira uses soft dollars

within the safe harbor of section 28(e), as described in the section below. Although many prime brokers provide similar services to investment advisers in exchange for brokerage, custody and clearance fees and other charges, if Makaira did not receive these services from the custodian, Makaira would be required to pay for all or some portion of them. Makaira is not required to direct a particular number of trades to the custodian or to continue to use it as custodian, but it has an incentive to do so based on the custodian's prior and continued services.

1. Soft Dollar Benefits

Makaira effects transactions with broker-dealers who provide research services (collectively, "soft-dollar items") to Makaira that assist the Firm in making investment and trading decisions on behalf of its clients. The negotiated commissions paid to broker-dealers supplying soft-dollar items may not represent the lowest obtainable commission rates. The client may be charged a brokerage commission in excess of that which another broker might charge for effecting the same transaction if Makaira determines in good faith that such commission is reasonable in relation to the value of the brokerage, research, other services and soft dollar relationships provided by that broker, viewed in terms of either the specific transaction or Makaira's overall responsibilities to the portfolios over which Makaira exercises investment authority. Makaira intends to comply with the soft-dollar "safe harbor" afforded by Section 28(e) under the Securities Exchange Act of 1934 Act. Makaira may receive soft dollar credits based on principal, as well as agency, securities transactions with brokers or direct a broker that executes transactions to share some of its commissions with a broker that provides soft dollar benefits to Makaira.

When Makaira uses client brokerage commissions to obtain soft-dollar items, it receives a benefit because it does not have to produce or pay for such soft-dollar items. However, Makaira believes that such soft dollar items may provide the clients with benefits by supplementing the research and services otherwise available to the clients. In addition, the research and other benefits resulting from a brokerage relationship benefit all client accounts or Makaira operations as a whole, including any client accounts that direct Makaira to use a broker that does not provide soft dollar benefits. Additionally, Makaira may have an incentive to select or recommend a broker-dealer based on its interest in receiving the soft-dollar items, rather than on the client's interest in receiving most favorable execution. Makaira addresses these conflicts of interest by annually evaluating the trade execution services that Makaira receives from the brokers that it uses to execute trades for clients. Such evaluation includes comparing those services to the services available from other brokers.

2. Brokerage for Client Referrals

The Firm does not consider, in selecting or recommending broker-dealers, client referrals from a broker-dealer. If the Firm receives referrals in the future, it will appropriately amend this Brochure.

3. Directed Brokerage

The Firm does not accept directed brokerage arrangements. Securities transactions are executed by brokers selected by the Firm in its discretion and without the consent of the clients. The Firm may enter into directed brokerage arrangements only in its discretion.

B. Aggregating Trading for Multiple Client Accounts

Makaira may aggregate securities sale and purchase orders for a client with similar orders being made contemporaneously for other accounts that Makaira manages or with accounts of its affiliates. In such event, Makaira charges or credits a client the average transaction price of all securities purchased or sold in such transactions. As a result, however, the price may be less favorable to the client than it would be if Makaira were not executing similar transactions concurrently for other accounts. Makaira may also cause a client to buy or sell securities directly from or to another client, if such a cross-transaction is in the interests of both clients.

Item 13. Review of Accounts

Review of the investment portfolio is a continuous process by Makaira's Principals. Those reviews take into account such matters as asset allocation, cash management, the prospects of individual securities, changes in issuer earnings, industry outlook, market outlook and price levels. Monthly performance results are available to clients and investors through the fund administrator's website using their own unique password. In addition, Makaira sends each investor in the Fund an unaudited quarterly performance summary. Investors also receive audited year-end financial statements on an annual basis.

Item 14. Client Referrals and Other Compensation

Makaira does not currently, but may in the future engage solicitors to whom it would pay cash or a portion of the advisory fees paid by clients referred to it by those solicitors. In such cases, this practice will be disclosed in writing to the client and Makaira will comply with the other requirements of Rule 206(4)-3 under the Investment Advisers Act of 1940, to the extent required by applicable law.

Item 15. Custody

SEC rules provide that, because Makaira and/or its related persons are the general partner of the one or more of the Funds, Makaira or its related persons are considered to have "custody" of the Funds' assets, even though independent custodians actually hold those assets. The custody rules generally require investment advisers that have "custody" of client assets to cause certain account statements detailing holdings and transactions to be sent to clients, and imposes certain other obligations. However, advisers to investment funds like the Funds are not required to comply (or are deemed to have complied) with certain requirements of the Custody Rule with respect to each Fund because it complies with the provisions of the so-called "Pooled Vehicle Annual Audit Exception." The exception requires that each Fund be subject to an audit at least annually by an independent public accountant that is registered with, and subject to regular inspection by, the Public Company Accounting Oversight Board, and requires that each Fund distribute its audited financial statements to all investors within 120 days of the end of its fiscal year. Makaira satisfies the SEC's custody requirements by providing investors with audited financial statements by a specified time each year.

To the extent that Makaira provides advisory services to separate account clients, Makaira does not have custody of the assets as such assets would be held at qualified custodians. The qualified

custodian would be required to send statements to the client on a quarterly basis. Clients are urged to compare the statements received from Makaira to those received from the account custodian.

Item 16. Investment Discretion

Makaira has discretionary authority to manage investment accounts on behalf of clients pursuant to a grant of authority in each Fund's limited partnership agreement or a limited power of attorney granted by a separate account client's account agreement. Except for the Funds, such discretion is limited by the requirement that separate account clients advise Makaira of:

- the investment objectives of the account;
- any changes or modifications to those objectives; and
- any specific investment restrictions relating to the account.

In addition, a separate account client must promptly notify Makaira in writing if the client considers any investments recommended or made for the account to violate such objectives or restrictions. A client may at any time direct Makaira to sell any securities or take such other lawful actions as the client may specify to cause the account to comply with the client's restrictions as stated in the executed investment management agreement. In addition, a client may notify Makaira at any time not to invest any funds in the client's account in specific securities or specific categories of securities.

Item 17. Voting Client Securities

Makaira votes all proxies on behalf of each account over which Makaira has proxy voting authority based on Makaira's determination of such account's best interests. In determining whether a proposal serves an account's best interests, Makaira considers a number of factors, including:

- the proposal's economic effect on shareholder value;
- the threat that the proposal poses to existing rights of shareholders;
- the dilution of existing shares that would result from the proposal;
- the effect of the proposal on management or director accountability to shareholders; and
- if the proposal is a shareholder initiative, whether it wastes time and resources of the company or reflects the grievance of one individual.

Makaira abstains from voting proxies when Makaira believes that it is appropriate to do so.

If a material conflict of interest over proxy voting arises between Makaira and a client, Makaira will vote all proxies in accordance with the policy described above. If Makaira determines that this policy does not adequately address the conflict of interest, Makaira will notify the client of the conflict and request that the client consent to Makaira's intended response to the proxy solicitation. If the client consents to Makaira's intended response or fails to respond to the notice within a reasonable time specified in the notice, Makaira will vote the proxy as described in the notice. If the client objects in writing to Makaira's intended response, Makaira will vote the proxy as the client directs.

A client can obtain a copy of Makaira's proxy voting policy and a record of votes cast by Makaira on behalf of that client by contacting Makaira.

Item 18. Financial Information

Not Applicable.

Item 19. Requirements for State-Registered Advisers

All of the information required by this Item is disclosed elsewhere in Makaira's Form ADV.

Privacy Policy

Makaira and the investment limited partnership for which it serves as general partner:

- collect non-public personal information about their clients and investors from the following sources:
 - information received from clients or investors on applications or other forms, and
 - information about clients' or investors' transactions with Makaira, its affiliates or others;
- do not disclose any non-public personal information about their clients or investors or former clients or investors to anyone, except as permitted by law;
- restrict access to non-public personal information about their clients and investors to their employees and service providers who need to know that information to provide services to clients; and
- maintain physical, electronic and procedural safeguards that comply with federal standards to guard clients' and investors' personal information.