
Item 1 – Cover Page

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This Brochure provides information about the qualifications and business practices of Privet Fund Management LLC (“Privet”). If you have any questions about the contents of this Brochure, please contact us at (404) 404-2670. 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.

Privet is a registered investment adviser. Registration of an investment adviser does not imply any level of skill or training.

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

Item 2 – Material Changes

Not applicable.

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Item 4 – Advisory Business

Privet Fund Management LLC (“Privet”) was organized on February 1, 2007, as a Delaware limited liability company. Ryan Levenson, Managing Member, and Glover & Co. LLC, Member, each individually own more than 25% and collectively own more than 50% of Privet. Glover & Co. LLC is majority owned by Sanford Taylor Glover.

Privet is the General Partner (“GP”) of Privet Fund, LP and investment manager (“Manager”) for Privet Capital Investments II, LP (each a “Fund” or collectively, the “Funds”). In its capacity as the GP and Manager of the Funds, Privet has overall responsibility for managing and administering the business and affairs of the Funds and implementing a continuous investment management program that includes trading decisions on behalf of the Funds.

Privet Fund LP (“PFLP”) seeks to invest primarily in small and mid-sized public companies, which the General Partner believes have the potential to achieve earnings, cash flow and returns beyond what is expected by other investors in the market. PFLP also seeks to capitalize on perceived inefficiencies in the marketplace by acquiring securities trading at low valuations relative to comparable larger companies. PFLP may also invest in larger public companies, debt securities, convertible securities, options and warrants, foreign currencies, futures, and commodities. PFLP’s investments can include securities or assets that are illiquid or lack a readily ascertainable value. Additional investment information regarding the Fund’s investment program is available in the PFLP Confidential Private Placement Memorandum (the “PFLP Memorandum”).

Privet Capital Investments II, LP (“PCI2”), while currently closed to new investors, co-invests alongside Privet Fund, LP. PCI2’s objective is to invest and deal in securities of a target company, which can be made directly through one or more holding vehicles (the “Investment”). PCI2 can otherwise engage in transactions in connection with mergers, consolidations, acquisitions, transfers of assets, tender offers, exchange offers, recapitalizations, going-private transactions, restructuring transactions, liquidations or any other similar restructuring with respect to the Investment.

All Funds’ investments are tailored to each of the respective Fund’s investment objectives and limitations described in their private placement memorandum. Investment restrictions for the Funds are established in the offering documents of the applicable Fund, which are provided to each investor prior to investing in the Fund. Once invested in a Fund, investors cannot impose restrictions on the types of securities in which the Fund may invest.

As of December 31, 2019, Privet managed \$222,303,059 in client assets, all on a discretionary basis.

Item 5 – Fees and Compensation

A detailed description of Fund fees are available in each Fund’s Confidential Private Placement Memorandum (the “Memorandum”). Privet receives a Target Management Fee from the PCI2 Investment and pays the expenses of PCI2. Privet (or GP) receives from PFLP an annual management fee equal to 1.5% of the balance of all Capital Accounts of the Limited Partners (the “Management Fee”). The Management Fee is calculated quarterly and payable in quarterly installments in arrears. The General Partner has discretionary authority to waive all or any part of the Management Fee due to it with respect to any Limited Partner.

PFLP pays all costs and expenses as the GP reasonably determines in good faith to be necessary, appropriate, advisable, incidental or convenient to promote or conduct PFLP business or achieve PFLP’s objectives. PFLP’s direct operational costs and expenses, without limitation, includes, but not necessary limited to: (1) costs and expenses incurred in connection with the investment, custody and reinvestment of the PFLP’s assets, including brokerage commissions, custody fees, dealer mark-ups, mark-downs and spreads, and related clearing and settlement charges; (2) accounting, auditing, record-keeping and tax form

preparation (including costs and expenses associated with obtaining systems and other information designed to facilitate PFLP accounting or record-keeping); (3) fees, costs and expenses of third-party service providers that provide such services; (4) fees and taxes imposed by any governmental entity or self-regulatory organization, including licensing, filing, registration and exemption fees and withholding, transfer and franchise taxes; (5) PFLP's indemnification obligations under the limited partnership agreement and other agreements to which PFLP may be a party; and (6) extraordinary costs and expenses, if any. The General Partner reserves the right to amend the foregoing expense procedures in its sole discretion.

Privet has adopted procedures for the ongoing monitoring of and management oversight to assess the fair allocation of expenses to or among the Funds and related entities, to the extent applicable, and for the determination of the reasonableness of the aforementioned Fund expenses.

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

PFLP charges a performance allocation. At the end of each fiscal year, 20% of the excess, if any, of (a) a Class A Limited Partner's Cumulative Net Gain as of the end of such fiscal year (adjusted for any contributions and withdrawals), over (b) such Class A Limited Partner's highest Cumulative Net Gain as of the end of any prior fiscal year, is reallocated to the General Partner's Capital Account. The "Cumulative Net Gain" is, with respect to all allocated income, deductions, gains or losses, the excess, if any, of cumulative income and gain allocations over cumulative expense and loss allocations as of the end of a fiscal year (determined after taking into account all PFLP expenses).

The receipt of performance-based compensation generally causes a conflict of interest when managing client accounts with both performance and non-performance based fees in that it creates an incentive for Privet to effectuate larger and more risky transactions than would be the case in the absence of this type of compensation. Privet, however, is not conflicted by charging performance based fees because PCI2 was created to invest along-side PFLP, Privet's only other client, both of which are managed in accordance with adopted procedures reasonably designed to achieve fairness in the allocation of investment opportunities over alternative clients.

PCI2 is fully invested at this time. Therefore, side-by-side management, meaning managing similar portfolios where one is charged an incentive fee and one is not, is not an issue.

Item 7 – Types of Clients

As noted in Item 4 above, Privet manages and administers the business and affairs of the Funds and implements a continuous investment management program that includes trading decisions on behalf of the Funds (which are limited partnerships). Conditions for investing in PFLP, including a \$1,000,000 investment minimum and other investor qualification requirements, are stated in PFLP's offering documents. Privet may waive or lower PFLP's investment minimum in its discretion. PCI2 is currently closed to new investors.

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

PFLP seeks to invest primarily in small and mid-sized public companies, which the General Partner (Privet) believes have the potential to achieve earnings, cash flow and returns beyond what is expected by other investors in the market. In making investment decisions, the General Partner will utilize in-depth research and analyze specific industry trends that directly affect the companies in which PFLP will invest. Such trends may include changes in end-market cycles, evolution of distribution channels, or significant price appreciation or depreciation of a given commodity that may greatly alter the pricing for a company's goods

or raw materials. Opportunities for investment returns also may result from changes in a company's corporate or capital structure. The General Partner will examine and pursue opportunities where a company may deliver returns to its investors through acquisition and/or divestiture of assets or business lines as well as other balance sheet recapitalization actions such as declaration of dividends, share buy backs or going private transactions.

The General Partner believes the dynamics of the public and private markets relating to small companies provide great inefficiencies and divergences between a security's market value and its true "intrinsic" value, otherwise stated as the value that is justified by assets, earnings, dividends, definite prospects, and the effectiveness of management. The General Partner may pursue a strategy to work with the management team of a company in creating and executing operating, acquisition, divestiture and capital markets strategies in an effort to accelerate the realization of a company's value.

The General Partner may work directly with a company's management team with respect to unlocking the true value of an asset so as to maximize, and hence, realize an improved valuation. The General Partner will employ in-depth industry and company specific analysis, research historical trade information and interview industry contacts. The General Partner will utilize its investment and operational experience to best gauge the true intrinsic value of each particular company in which PFLP may invest. Where appropriate, PFLP may use leverage when making investments. PFLP may actively trade securities for purposes of maximizing investment returns and capitalizing on short-term inefficiencies in the market.

There can be no assurance that a Fund's investment objectives will be achieved or that the Fund will be profitable, and investment results may vary substantially over time. A Fund may lose all or a substantial portion of its investments, and investors in the Funds must be prepared to bear the risk of a complete loss of their investments. The purchase of partnership interest involves a number of significant risks and other important factors relating to investments in limited partnerships generally, and relating to the structure and investment objective, approach and strategies of the Fund in particular. Each Fund's offering documents include a more detailed summary of the material risks for that Fund, which an investor should review and consider carefully prior to investing.

Equity Markets and Stock Price Volatility

U.S. and foreign equities markets have experienced tumultuous times in the past reflected in highly volatile market prices for listed securities. Certain factors may have a significant impact on the market price of securities owned by a Fund, and, consequently, may adversely affect a Fund's portfolio, such as general economic data, interest and currency rate fluctuations, announcements of technological innovations, developments in patent or other proprietary rights, public concern or perception of issues relating to the safety of products developed by a company, announcements of collaborative partners, issues relating to government regulation, loss or gain of key employees in research and/or operations, fluctuations in companies' operating results, future sales of common stock, analysts' comments, including changes in recommendations, and general market conditions. A Fund may invest in securities which may be more volatile and carry more risk than some other forms of investment. Security prices in general may decline over short or even extended periods of time and such declines may be significant.

Investment and Trading Risks

A Fund will invest in and trade securities and other financial instruments using strategies and investment techniques with significant risk characteristics, including risks arising from the volatility of financial markets. The performance of any investment may depend on a number of factors, including conditions in regional and local economies, conditions in the securities markets generally, performance of companies in particular industries or regions and political and technological developments. An investment in a Fund risks the complete loss of capital. No guarantee or representation is made that a Fund's investment program will be successful, that a Fund will achieve targeted returns or that there will be any return of capital invested.

Investment results may vary substantially over time. A Fund's methods of attempting to minimize such risks may not accurately predict future risk exposures. Risk management techniques are based in part on the observation of historical market behavior, which may not predict market divergences that are larger than historical indicators. Also, information used to manage risks may not be accurate, complete or current, and such information may be misinterpreted.

General Economic and Market Conditions

A Fund's performance may be affected by general economic and market conditions and factors that impact a Fund's investments, such as interest or currency rates, availability of credit, inflation rates, real or perceived adverse economic conditions economic uncertainty, changes in laws, and national, and international political developments. These factors may affect the level and volatility of securities prices and the liquidity of a Fund's investments. These fluctuations may be temporary or may last for extended periods. Unexpected volatility or illiquidity could impair a Fund's profitability or result in losses.

Business Legal, Tax and Other Regulatory Risks

Legal, tax, and regulatory changes, as well as judicial decisions, could adversely affect a Fund, the GP and Manager and/or the investment strategies used to implement a Fund's trading program. The regulatory environment for private investment funds continues to evolve, and changes in the regulation of private investment funds may adversely affect the value of a Fund's investments and the ability of a Fund to implement its investment strategy. The financial services industry generally and the activities of private investment funds and their investment advisers, in particular, have been the subject of increasing legislative and regulatory scrutiny. Such scrutiny may increase legal, compliance, administrative, and other related burdens and costs as well as regulatory oversight or involvement in a Fund and/or the GP and Manager or result in ambiguity or conflict among legal or regulatory schemes applicable to a Fund or the GP and Manager. In addition, securities and futures markets are subject to extensive statutes, regulations and margin requirements. Alternative rules or legislation regulating a Fund or the GP and Manager may be adopted, and the possible scope of any rules or legislation is unknown. There can be no assurances that a Fund or the GP and Manager will not in the future be subject to regulatory review or discipline. The effects of any regulatory changes or developments on a Fund may affect the manner in which it is managed and may be substantial and adverse.

Absence of Regulatory Oversight

While a Fund may be considered similar to an investment company, it does not intend to register as such under the Investment Company Act of 1940, as amended (in reliance upon an exemption available to privately offered investment companies), and, accordingly, the provisions of the Investment Company Act of 1940, as amended (which, among other matters, require investment companies to have a majority of disinterested directors, require securities held in custody to at all times be individually segregated from the securities of any other person and marked to clearly identify such securities as the property of such investment company and regulate the relationship between the adviser and the investment company) are not applicable.

Management Authority; Inability to Remove or Replace the GP and Manager

Limited Partners do not have (i) any right to participate in the management or control of the business of a Fund, (ii) any right or authority to act for or bind a Fund or (iii) any right or authority to remove or replace the GP and Manager. The Delaware Revised Uniform Limited Partnership Act provides that any Limited Partner who participates in the control of a Fund's business may be adjudged liable to creditors of and

claimants against a Fund as if such Limited Partner were a General Partner. For this reason, the Limited Partners are not permitted to have any role in the conduct of a Fund's business.

Reliance on General Partner

Investors are relying on the good faith, experience and expertise of the GP and Manager and parties with which the GP and Manager may contract. The professional services provided by the GP and Manager are not exclusive to a Fund. A Fund's investment performance could also be materially adversely affected if a key member of the GP and Manager's portfolio management team was to die, become ill or disabled, or otherwise cease to be involved in the active management of a Fund's portfolio.

Limited Withdrawal Transfer Rights

A Limited Partner generally will be permitted to withdraw capital subject to various limitations. Transfers of the Class A Interests will be permitted only with the written consent of the GP and Manager. Accordingly, the Class A Interests should only be acquired by investors willing and able to commit their funds for an appreciable period of time.

Market Risks

A Fund does not intend to anticipate general price movements of securities and other investments. However, market movements with respect to securities and other investments may significantly affect the value of a Fund's portfolio. With respect to the investment strategies utilized by a Fund, there is always some – and occasionally a significant – degree of market risk.

Concentration of Holdings

At any given time, it is possible that the GP and Manager may select investments that are concentrated in a particular market or industry or in a limited number or type of securities. Investments also may be concentrated in a certain security or issuer. As a result, a Fund's investment portfolio could become concentrated in a small number of industries, geographic markets or issuers and its aggregate return may be volatile and may be affected substantially by the performance of only a few holdings. As a result of such concentration, the portfolio may exhibit more volatility or risk of loss than a portfolio with broader diversification.

Investment Selections

The GP and Manager has complete discretion to invest and trade a Fund's assets, based on its analysis and judgment. In making its decisions, the GP and Manager may rely on information and data provided and prepared by third parties. Although the GP and Manager intends to evaluate the accuracy and importance of such information and data, it will not always be in a position to confirm the completeness, genuineness, or accuracy of such information and data. Further, although the GP and Manager believes the analytical and investment selection techniques of its investment methodology are sound, there can be no assurances that its investment and trading decisions will be profitable over any particular period or at all.

Trading in Securities and Other Investments may be Illiquid

Certain investment positions in which a Fund has an interest, including Special Investments, may be illiquid. A Fund may invest in restricted or non-publicly traded securities and securities traded on non-U.S. exchanges. This could prevent a Fund from promptly liquidating unfavorable positions and subject a Fund to substantial losses. Furthermore, the valuation of illiquid investments is complex and uncertain, and there

can be no assurance that a Fund's valuation will accurately reflect the value that will be realized upon the eventual disposition of such investment. Such investments could also impair a Fund's ability to distribute withdrawal proceeds in a timely manner. In addition, in the discretion of the GP and Manager, payment to a Limited Partner of that portion of withdrawal proceeds attributable to Special Investments may be delayed until such Special Investments are liquidated or deemed realized.

Risks of Event Driven Investing

A Fund may engage in event driven investing. Event driven investing requires the GP and Manager to make predictions about (i) the likelihood that an event will occur and (ii) the impact such an event will have on the value of a company's securities. If the event fails to occur or it does not have the effect foreseen, losses can result. For example, the adoption of new business strategies, a meaningful change in management or the sale of a division or other significant assets by a company may not be valued as highly by the market as the investment manager had anticipated, resulting in losses. In addition, a company may announce a plan of restructuring which promises to enhance value and fail to implement it, resulting in losses to investors.

Arbitrage Transactions

A Fund may purchase securities at prices often only slightly below the anticipated value to be paid or exchanged for such securities in a merger, exchange offer or cash tender offer which the GP and Manager determines is probable, and substantially above the prices at which such securities traded immediately prior to announcement of the merger, exchange offer or cash tender offer. If the proposed transaction appears likely not to be consummated or in fact is not consummated or is delayed, the market price of the security to be tendered or exchanged may be expected to decline sharply, which would result in a loss to a Fund. In addition, if the GP and Manager determines that the offer is likely to be increased, either by the original bidder or by another party, a Fund may purchase securities above the offer price; such purchases are subject to a high degree of risk.

The consummation of mergers and tender and exchange offers can be prevented or delayed by a variety of factors, including opposition by the management or shareholders of the target company, private litigation or litigation involving regulatory agencies, and approval or non-action of regulatory agencies. The likelihood of occurrence of these and other factors can be very difficult to evaluate.

Distressed Securities

A Fund may invest in "distressed" securities, claims and obligations of domestic and foreign entities, which are experiencing significant financial or business difficulties. Investments may include loans, commercial paper, loan participations, trade claims held by trade or other creditors, stocks, partnership interests and similar financial instruments, executory contracts and options or participations therein not publicly traded. Distressed securities may result in significant returns to a Fund, but also involve a substantial degree of risk. A Fund may lose a substantial portion or all of its investment in a distressed environment or may be required to accept cash or securities with a value less than a Fund's investment. Among the risks inherent in investments in entities experiencing significant financial or business difficulties is the fact that it frequently may be difficult to obtain information as to the true condition of such issuers. Such investments also may be adversely affected by state and federal laws relating to, among other things, fraudulent conveyances, voidable preferences, lender liability and the bankruptcy court's discretionary power to disallow, subordinate or disenfranchise particular claims. The market prices of such instruments are also subject to abrupt and erratic market movements and above average price volatility, and the spread between the bid and asked prices of such instruments may be greater than normally expected. In trading distressed securities, litigation is sometimes required. Such litigation can be time-consuming and expensive, and can frequently lead to unpredicted delays or losses.

In bankruptcy, there can be considerable delay in reaching accord on a restructuring plan acceptable to a bankrupt company's lenders, bondholders and other creditors and then obtaining the approval of the bankruptcy court. Such delays could result in substantial losses to an entity holding such company's securities or obligations. Moreover, there is no assurance that a plan favorable to the class of securities held by a Fund will be adopted or that the subject company might not eventually be liquidated rather than reorganized.

In liquidations (both in and out of bankruptcy) and other forms of corporate reorganization, there exists the risk that the reorganization either will be unsuccessful, will be delayed or will result in a distribution of cash or a new security, the value of which will be less than the purchase price of the security in respect of which such distribution is received. It may be difficult to obtain accurate information concerning a company in financial distress, with the result that the analysis and valuation are especially difficult. The market for securities of such companies tends to be illiquid and sales may be possible only at substantial discounts.

Distressed Situations

A Fund may invest in "distressed situations" (*i.e.*, private claims and obligations of domestic and foreign entities experiencing significant financial difficulties, such as loan participations and assignments, trade claims and similar instruments), which may expose a Fund to significant risks, including: (i) the difficulty in obtaining information as to the issuer's true condition; (ii) regulatory risk, including laws relating to fraudulent conveyances, voidable preferences, lender liability and bankruptcy; (iii) market risk; (iv) litigation risk; (v) liquidity risk; and (vi) at times, collection risk.

Proxy Contests and Unfriendly Transactions

A Fund may purchase securities of a company which is the subject of a proxy contest in the expectation that new management will be able to improve the company's performance or effect a sale or liquidation of its assets so that the price of the company's securities will increase. If the incumbent management of the company is not defeated or if new management is unable to improve the company's performance or sell or liquidate the company, the market price of the company's securities will typically fall, which may cause a Fund to suffer a loss.

In addition, where an acquisition or restructuring transaction or proxy fight is opposed by the subject company's management, the transaction often becomes the subject of litigation. Such litigation involves substantial uncertainties and may impose substantial cost and expense on a Fund.

Small Capitalization Companies

A Fund may invest a portion of its assets in the stocks of companies with small sized market capitalizations. While the GP and Manager believes these investments often provide significant potential for appreciation, those stocks involve higher risks in some respects than do investments in stocks of larger companies. For example, prices of such stocks are often more volatile than prices of large-capitalization stocks. In addition, due to low trading volume in some such stocks, an investment in these stocks may be more illiquid than that of larger capitalization stocks.

Leverage

While the use of borrowed funds can improve substantially the return on invested capital, such use also may increase significantly the adverse impact to which a Fund's investment portfolio may be subject. In addition, money borrowed for leveraging will be subject to interest costs or other costs incurred in

connection with such borrowing, which may or may not be recovered by the return on the securities purchased with borrowed funds. Borrowing and the use of leverage create an opportunity for greater appreciation, but also for greater loss, in the value of a Fund's assets. They also increase the volatility of the value of a Fund's assets by magnifying both increases and declines in the value of such assets.

The use of short-term margin borrowings subjects an investment portfolio to additional risks, including the possibility of a "margin call," pursuant to which a Fund could be required either to deposit additional funds with the broker or to suffer mandatory liquidation of the pledged securities to compensate for the decline in value. In the event of a sudden, precipitous drop in the value of a Fund's assets, a Fund might not be able to liquidate assets quickly enough to pay off its margin debt. This could result in the forced liquidation of assets of a Fund at substantially depressed prices. A margin call and forced liquidation of assets might also occur during a period where there is an overall decline in the securities market which might reduce overall liquidity in such market and thus further accelerate a decline in the sales price of assets of a Fund.

The General Partner does not expect to leverage the assets of a Fund in an amount in excess of 30% of the investment portfolio. In addition, the GP and Manager may borrow an amount equal to approximately 30% of a Fund's investment portfolio for purposes of maintaining short positions. The percentage limitations referenced in the preceding sentences are approximations and the GP and Manager may exceed such amounts.

Significant Positions

Portfolio companies in which a Fund may invest could have a relatively small aggregate number of outstanding shares, so that a Fund may acquire (i) more than 5% of a class of securities of a single issuer which would require the filing of a Schedule 13D or 13G statement with the Securities and Exchange Commission or (ii) more than 10% of a class of securities of a single issuer (which would impose certain limitations on a Fund's ability to trade in such securities, including the restrictions of Section 16 of the Exchange Act). The accumulation of such a significant position in the shares of a single issuer could lead to litigation or disputes in the event a Fund desires to influence the issuer. A Fund may also seek to challenge the management of a portfolio company through a proxy contest. Such litigation or proxy contest may result in substantial expense to a Fund, thus reducing the value of a Fund. In addition, an affiliate of the GP and Manager may serve on the board of directors of one or more portfolio companies. As a result, the GP and Manager could become an insider and have access to material nonpublic information affecting the portfolio company, which may preclude a Fund from selling its position (or acquiring additional shares) at any time when the GP and Manager otherwise believes it would be appropriate to do so.

Moreover, a Fund's ability to realize value from certain of its investments may depend upon the ability of the GP and Manager to influence the management of a portfolio company to take certain actions, including, for example, a recapitalization, restructuring, spin off, sale of the business or change in management. If the GP and Manager is incorrect in its assessment of the impact such action will have on the value of a portfolio company, or if it is unsuccessful in persuading the portfolio company's management to take the desired action, a Fund may sustain a loss on its investment in the portfolio company.

Portfolio Turnover

A Fund's investment strategy could experience frequent trading and high portfolio turnover, which will cause increased transaction costs and result in gains and losses to be short-term in nature. Short-term capital gains are taxed at rates that are higher than long-term capital gain rates. Higher portfolio turnover combined with a relatively large number of securities held by a Fund could also increase the commissions paid by a Fund, which in turn, may lower the return to the Partners.

Institutional Risks

There is the possibility that the institutions, including brokerage firms and banks, with which a Fund does business, or to which securities have been entrusted for custodial purposes, will encounter financial difficulties that may impair the operational capabilities or the capital position of a Fund. A Fund intends to limit its transactions with such institutions to well capitalized and established banks and brokerage firms in an effort to mitigate such risks.

Cybersecurity

As the use of the Internet and other technologies has become more prevalent in the course of business, the funds have become more susceptible to operational and financial risks associated with cyberattacks. Cybersecurity incidents can result from deliberate attacks, such as gaining unauthorized access to digital systems (e.g., through “hacking” or malicious software coding) for purposes of misappropriating assets or sensitive information, corrupting data, or causing operational disruption, or from unintentional events, such as the inadvertent release of confidential information. Cybersecurity failures or breaches of a Fund, or their service providers or the issuers of securities in which a Fund invests, have the ability to cause disruptions and impact business operations, potentially resulting in financial losses, the inability of Partnership to transact, violations of applicable privacy and other laws, regulatory fines, penalties, reputational damage, reimbursement or other compensation costs, and/or additional compliance costs. While measures have been developed that are designed to reduce the risks associated with cyberattacks, there is no guarantee that those measures will be effective, particularly since a Fund does not directly control the cyber security defenses or plans of its service providers, financial intermediaries and companies in which it invests or with which it conducts business.

Trading on Foreign Exchanges

A Fund may engage in trading on foreign exchanges and other markets located outside of the United States (“Foreign Markets”). Neither CFTC regulations nor regulations of any other United States governmental agency apply to the actual execution of transactions on Foreign Markets. Some Foreign Markets, in contrast to domestic exchanges, are primarily “principals’ markets” in which performance is the responsibility only of the individual member with whom the trader has entered into a transaction and not the exchange or clearing organization. In such case, a Fund will be subject to the risk of the bankruptcy of, other inability of, or refusal by, such member or the counterparty to perform with respect to such transactions.

Non-U.S. Currency

A Fund may enter into non-U.S. currency forward contracts, options, swaps, or other derivatives contracts on non-U.S. currencies. Such contracts involve a risk of loss if currency exchange rates move against a Fund. In addition, forward contracts are not guaranteed by an exchange or clearinghouse. Therefore, a default by the forward contract counterparty may result in a loss to a Fund of the value of unrealized profits on the contract.

It is contemplated that most non-U.S. currency forward contracts will be with banks. There are no limitations on daily price moves of forward contracts. Banks are not required to continue to make markets in currencies. There have been periods during which certain banks have refused to continue to quote prices for forward contracts or have quoted prices with an unusually wide spread (the difference between the price at which the bank is prepared to buy and that at which it is prepared to sell). The imposition of credit controls by governmental authorities might limit the level of such forward trading to less than that which the GP and Manager would otherwise recommend, to the possible detriment of a Fund. Neither the CFTC nor the United States banking authorities regulate forward currency transactions through banks. In respect

of such trading, a Fund is subject to the risk of bank failure or the inability of or refusal by a bank to perform with respect to such contracts.

Country Risks

A Fund may make investments in securities of issuers organized and/or conducting business in foreign countries. As with any investment related to a foreign country, there exists the risk of adverse political developments, including, but not limited to, nationalization, confiscation without fair compensation, and war. Furthermore, any fluctuation in currency exchange rates will affect the value of investments in foreign securities or other assets and any restrictions imposed to prevent capital flight may make it difficult or impossible to exchange or repatriate foreign currency.

In addition, laws and regulations of foreign countries may impose restrictions or approvals that would not exist in the United States and may require financing and structuring alternatives that differ significantly from those customarily used in the United States. Foreign countries also may impose taxes on a Fund or its Limited Partners. The GP and Manager will analyze risks in the applicable foreign countries before making such investments, but no assurance can be given that a political or economic climate, or particular legal or regulatory risks, might not adversely affect an investment by a Fund.

Short Sales

The investment strategies employed by the GP and Manager will involve making short sales of securities. In a short sale, the seller sells a security (or other instrument) that it does not own – typically it is borrowed from a broker-dealer. Because the seller remains liable to return the underlying investment instrument that it has borrowed, the seller must purchase the borrowed investment instrument prior to the date on which delivery to the broker-dealer is required. Thus, a short sale of a security involves the risk of a theoretically unlimited increase in the market price of the security that could result in an inability to cover the short position or theoretically unlimited loss. In addition, there can be no assurance that the investment instruments necessary to cover a short position will be available for purchase. As a result of the foregoing, short sales can, in certain circumstances, substantially increase the impact of adverse price movements on a Fund's investments.

Additionally, as it relates to short sales, the SEC has adopted rules placing certain restrictions on short selling when a stock is experiencing significant downward price pressure. Rule 201 of Regulation SHO imposes restrictions on short selling when a stock has triggered a circuit breaker by experiencing a price decline of at least 10% in one day. At such point, short selling would be permitted only if the price of the security is above the current national best bid. Once triggered, the rule applies to short sale orders for the remainder of the day as well as the following day. As short sales and leverage are material components of a Fund's trading strategy, there may occur times when a Fund may be restricted in the amount of leverage it can employ related to certain parts of the strategy, therefore limiting the strategy's effectiveness. Such restrictions may occur during periods when a Fund is already suffering losses, therefore materially impacting a key component of the strategy designed to mitigate losses.

Illiquidity

There is no market for the Interests and, accordingly, the Interests may be disposed of only through the withdrawal procedures described elsewhere in this Memorandum. For the avoidance of doubt, until such time as it is distributed to the withdrawing Limited Partner, the portion of the withdrawal request that is not satisfied as of a Withdrawal Date will remain invested in, and, therefore, still be subject to the risks of, a Fund. Furthermore, Seed Class Limited Partners have liquidity rights that differ from the withdrawal rights generally applicable to Class A Limited Partners and Seed Class Limited Partners may as a result receive

withdrawal proceeds prior to the receipt of withdrawal proceeds by a Class A Limited Partner even if withdrawal requests are made on the same day. Due to the limitation on Limited Partners' withdrawal rights and the absence of any market for the Interests, an investment in a Fund is a relatively illiquid investment and involves a high degree of risk. A subscription for Interests should be considered only by persons financially able to maintain their investment and who can afford a loss of all of their investment in a Fund.

Mandatory Withdrawal or Exit

Under certain circumstances and upon written notice, the GP and Manager may require a Limited Partner to withdraw a portion of funds from their Capital Account or to withdraw all such funds and exit a Fund. Such mandatory withdrawal or exit may create adverse tax and/or economic consequences to the Limited Partner depending on the timing thereof.

Investment in Pooled Vehicles

A Fund may, from time to time, invest in other pooled vehicles that may subject the Limited Partners to another layer of fees and expenses. Additionally, the governing documents of such pooled investment vehicles may not impose meaningful restrictions on the manner in which the investment managers of such pooled investment vehicles may invest and trade and may permit such investment managers to invest and trade in essentially an unrestricted range of securities. As a result, the investment managers of such pooled investment vehicles may from time to time suddenly and materially modify their investment objectives, styles, policies and/or restrictions, with or, more often, without notice to the GP and Manager. The GP and Manager generally will not participate in the management and control of such pooled investment vehicles; instead, the GP and Manager will allocate Partnership capital to the investment managers of such pooled investment vehicles in part on its assessment of such investment manager's objectives, styles, policies and restrictions. If after allocating a Fund's assets to a particular investment manager, the investment manager modifies its investment objectives, styles, policies or restrictions, a Fund's allocations may no longer be consistent with its investment objective, and a Fund may be unable to withdraw capital from that pooled investment vehicle for an extended period of time, during which a Fund may suffer extensive losses. There is no guarantee that a Fund's investments in other pooled investment vehicles will match a Fund's investment strategy at all times.

The GP and Manager intends to conduct a level of due diligence that it believes is adequate to select pooled investment vehicles appropriate for a Fund. However, due diligence is not infallible and may not uncover problems associated with a particular investment manager or those who provide accounting, audit, brokerage, custody or other services to such investment manager. The GP and Manager may rely upon representations made by such investment managers and, if any representation is misleading, incomplete, or false, it may result in that selection of investment managers that might otherwise have been eliminated from consideration had complete information been made available.

Performance Allocation to General Partner

Under its Performance Allocation arrangement, the GP and Manager may benefit from appreciation (including unrealized appreciation) in the value of a Fund's assets. Performance Allocations, once made, are not reimbursed to Limited Partners experiencing subsequent net losses. While the Performance Allocation is subject to what is commonly known as a high-water mark provision that is intended to ensure that it is based on a longer-term performance of a Limited Partner's investment in a Fund, this fee arrangement creates an incentive for the GP and Manager to invest a Fund's assets in more aggressive investment styles. The GP and Manager addresses this conflict of interest by acting in the best interests of a Fund and in accordance with a Fund's investment objectives.

No Independent Counsel

No independent counsel has been retained to represent the interests of the Limited Partners. Fund Agreements have not been reviewed by any attorney on behalf of the Limited Partners. Investors are therefore urged to consult their own counsel as to the terms and provisions of a Fund Agreement and in all other documents related thereto.

Effect of Substantial Withdrawals

Substantial withdrawals by Limited Partners within a short period of time could require a Fund to liquidate securities positions more rapidly than would otherwise be desirable, possibly reducing the value of a Fund's assets and/or disrupting a Fund's investment strategy. Reduction in the size of a Fund could make it more difficult to generate a positive return or to recoup losses due to, among other things, reductions in a Fund's ability to take advantage of particular investment opportunities or decreases in the ratio of its income to its expenses.

Market Disruption, Force Majeure, Disruption of Electronic Communications

The operations of a Fund, each of its service providers, the exchanges, and markets in which a Fund trades may be affected in the event of interruptions or disruptions of markets or electronic communications or other circumstances, whether or not beyond the control of the affected party, such as acts of God, civil commotion, riot, strike, insurgency, lockout, act of government, in either its sovereign or contractual capacity, accident, fire, water damage, flood, earthquake or other natural or unnatural catastrophes that could expose a Fund to significant losses because it has entered into investment positions that it is unable to liquidate or is delayed in liquidating.

Conflicts of Interest

The interests of a Fund and the Limited Partners may be inconsistent in some respects with the interests of the GP and Manager. However, the GP and Manager intends to exercise good faith and integrity in resolving any conflicts of interest.

In order to facilitate investment by foreign and certain other investors, the GP and Manager may create one or more parallel investment entities, the structure and terms of which may differ from that of a Fund but that may invest proportionately, to the extent determined by the GP and Manager, and as permitted or practicable, in transactions on effectively the same conditions as a Fund. In addition, for certain investments, a Fund may also utilize special or separate investment entities to address certain legal, tax, regulatory or compliance needs.

In addition, the GP and Manager and/or its affiliates may act as investment managers for others and may become associated with other investment entities. Except to the extent necessary to perform its obligations under the Limited Partnership Agreement, the GP and Manager and/or its affiliates are not limited or restricted from engaging in or devoting time and attention to the management of any other business, whether of a similar or dissimilar nature, or to render services of any kind to any other corporation, firm, individual or association. Conflicts of interest could arise in connection with securities transactions for the accounts of a Fund, other investment vehicles the GP and Manager or its affiliates are currently or may in the future be involved with and any other advisory clients. These transactions could differ in substance, timing, and amount, due to, among other things, differences in investment objectives or other factors affecting the appropriateness or suitability of particular investment activities to a Fund or other clients, or to limitations on the availability of particular investment or transactional opportunities. The GP and Manager and its affiliates will allocate transactions and opportunities among its various client accounts in accordance with

their internal policies and in a manner they believe to be as equitable as feasible, considering, amongst other factors, each account's objectives, programs, limitations, and capital available for investment. Nonetheless, all accounts may not necessarily be invested in the same securities. Furthermore, the GP and Manager and/or its affiliates and other accounts may hold substantial positions in securities and other investments that are owned by a Fund. If the GP and Manager and/or its affiliates and/or other accounts hold a substantial position in an issuer, liquidity and concentration considerations may limit the ability of the GP and Manager to add to the position on behalf of a Fund or to readily dispose of the position. The GP and Manager may on occasion give advice or take action with respect to other accounts that differs from the advice given with respect to a Fund (especially where the investment policies differ). The GP and Manager and its affiliates also have no obligation to provide a Fund or any other account with any particular investment opportunity or to refrain from taking advantage of an investment opportunity that could be beneficial to a Fund.

The Performance Allocations create an incentive for the GP and Manager to make investments that are riskier or more speculative than would be the case if the Performance Allocations were not made. The Performance Allocations are calculated on the basis of both realized and unrealized gains (which may never be realized) and losses. In the event a Fund invests in other privately offered funds or separately managed accounts the manager of the privately offered fund or separately managed account may receive Performance Allocations with respect to that investment even if a Fund as a whole is not profitable.

The GP and Manager will not borrow from a Fund and will not use a Fund's funds or securities as compensating balances for its own benefit or commingle such funds or securities with a Fund of any other person (except to the extent combining purchase and sale orders for various clients could be considered to involve such commingling).

As noted in this Memorandum and a Fund Agreement, the GP and Manager has the authority and discretion to waive, alter or otherwise modify many of the requirements generally applicable to the Limited Partners. For example, the GP and Manager may with respect to certain Limited Partners waive or alter the Performance Allocation, minimum investment amounts, capital withdrawal requirements, special rights with respect to future contributions and future investments, or offer additional and/or specialized reporting or information about a Fund. These waivers or modifications are made pursuant to side letters between a Fund and the Limited Partners involved. The GP and Manager enters into these side letters when it believes that doing so does not otherwise contravene applicable laws, regulations and the GP and Manager's responsibilities as a fiduciary to a Fund.

The Limited Partners may include taxable and tax-exempt entities and persons or entities resident of or organized in various jurisdictions. As a result, conflicts of interest may arise in connection with decisions made by the GP and Manager that may be more beneficial for one type of Limited Partner than for another type of Limited Partner. In making such decisions, the GP and Manager intends to consider the investment objectives of a Fund as a whole, not the investment objectives of any Limited Partner individually.

The value of a Fund assets is determined in such manner as the GP and Manager deems fair and reasonable. In making valuation determinations, the GP and Manager may use particular pricing services, brokers, market makers or other intermediaries as it shall determine. In addition, non-publicly traded assets and illiquid securities, will be valued by the GP and Manager in its discretion through internal valuation policies. The GP and Manager may amend or replace those policies, or deviate from them, in its sole discretion. The GP and Manager has a conflict of interest in that the GP and Manager will receive a higher Performance Allocation and Management Fee if the securities are given a favorable valuation.

The GP and Manager may offer co-investment opportunities to select Limited Partners, as well as to other private investors, groups and/or individuals to participate separately in investments being made by a Fund.

Given the nature and timing of co-investment opportunities, while the GP and Manager may bring co-investment opportunities to the attention of certain Limited Partners, there is no guarantee that the GP and Manager will bring co-investment opportunities to the attention of any particular Limited Partner notwithstanding that other Limited Partners may have been invited to participate. Any Limited Partner participating in a co-investment must satisfy independently the investor qualification standards and other regulatory conditions applicable to such co-investment and, in any event, the GP and Manager shall reserve the final right to accept or reject the participation of such investors in the co-investment opportunity. Further, such co-investors may invest on terms and/or pay fees to the GP and Manager in connection with such co-investment that differ from the terms and fees to which the Limited Partners are subject as investors in a Fund.

Tax Considerations

Each prospective Limited Partner is urged to consult such investor's own counsel and advisers regarding the tax consequences of acquiring, holding and disposing of an Interest.

Item 9 – Disciplinary Information

Privet has no information applicable to this Item.

Item 10 – Other Financial Industry Activities and Affiliations

Privet, Mr. Levenson and Privet associates are not affiliated with any broker dealer, bank, insurance company or other such financial institutions with the exception of Privet Capital Management, LLC. Privet Capital Management, LLC, a Delaware limited liability company, was organized on August 2, 2017. The founder and principal owner of Privet Capital Management, LLC is Ryan Levenson. As of December 31, 2019, Privet Capital Management, LLC has no assets under management. Privet Capital Management, LLC is the general partner of PCI2.

Mr. Levenson and Privet associates take active roles in portfolio companies and, as such, may be elected or appointed to sit on the board of a public portfolio company. A current list of board seats held by Privet associates is available upon request.

Item 11 – Code of Ethics

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

The Managing Member of Privet is also a limited partner in PFLP and PCI2. The Managing Member and associates of Privet are required to pre-clear all personal trades in equities, bonds, derivatives, IPOs and private placements. Privet employees are restricted from purchasing securities held by clients of Privet.

Under the Code of Ethics certain classes of securities have been designated as exempt transactions, based upon a determination that these would materially not interfere with the best interest of Fund investors. The Code of Ethics requires pre-clearance of many transactions, and restricts trading in close proximity to client trading activity. Nonetheless, because the Code of Ethics in some circumstances would permit employees

to invest in the same securities as a Fund, there is a possibility that employees might benefit from market activity by a Fund in a security held by an employee. Employee trading is continually monitored under the Code of Ethics, which is designed to reasonably prevent conflicts of interest between Privet and its clients.

Privet's clients or prospective investors can request a copy of the firm's Code of Ethics by contacting Paul Bottinelli.

Principal trading and agency cross trading are not relevant to the firm. Privet does not engage in these practices.

Item 12 – Brokerage Practices

Privet pays and allocates brokerage commissions and fees to registered securities broker-dealers for executing and clearing transactions. Privet has complete discretion to determine the broker-dealers with and through whom a Fund's security transactions are effected, the prices at which transactions are effected and the commission rates and other fees paid by a Fund.

Privet's primary responsibility regarding Fund transactions is to seek the best combination of price and quality of execution under the circumstances at the time of execution, based on the factors Privet considers when selecting brokers to place clients' order for execution, commonly referred to as "best execution." When placing orders with sell-side brokers for executing transactions, Privet considers all factors it deems relevant to best execution, including breadth of the market in the security, the price of the security, the financial condition and execution capability of the broker or dealer, confidentiality, speed of execution, ability to commit capital, brokerage research and other services and reasonableness of the commission.

In selecting brokers or dealers to execute Fund transactions and in evaluating the best net price and execution available, Privet from time to time receives proprietary research in the form of specific reports on securities covered by the broker and other information, in accordance with Section 28(e) of the Securities and Exchange Act of 1934. Where more than one broker is believed to be capable of providing the best combination of price and execution, Privet can select a broker that provides it with research reports and other products or services ("soft dollar benefits") such as trading software, market forecasts, news services, subscriptions to financial publications, compilations of security prices, earnings, dividends and similar data, which provides lawful and appropriate assistance to Privet in its investment evaluation and decision process on behalf of all clients.

When using brokerage commissions to obtain research or other products or services, Privet receives a benefit because it does not have to produce or pay for the research, products or services. Privet has an incentive to select a broker-dealer based on its interest in receiving the research, rather than its clients' interest in receiving most favorable execution. Privet may cause clients to pay commissions (or markups or markdowns) higher than those charged by other broker-dealers in return for soft dollar benefits, as outlined above, and in seeking best execution in high touch orders.

Privet conducts periodic reviews of its prime brokerage relationship to assess the reasonableness of the cost and quality of products and services provided by the prime broker in relation to the value of such products and services. In particular, Privet evaluates and compares the quality, ease of use, comprehensiveness and accessibility provided by the prime broker's trading software, fund accounting platform, portfolio management software (including data for tracking tax lots), and software for tracking Fund performance.

A fund investor cannot direct Privet to use a specific broker or dealer.

Item 13 – Review of Accounts

The CFO reviews the securities held by PFLP on a daily basis. The Portfolio Manager reviews the portfolio on an ongoing basis. Privet communicates formally with PFLP investors through mailings four times a year.

Fund investors receive audited financial statements and Schedule K-1s for tax purposes. Privet communicates informally with Fund investors using conference calls and in-person meetings on an as-needed basis or at the request of Fund investors.

Item 14 – Client Referrals and Other Compensation

Privet has not entered into written arrangements with third parties to act as solicitors for Privet’s investment advisory business.

Item 15 – Custody

For purposes of the Investment Advisers Act of 1940, Privet is deemed to have custody of the funds and securities held by the Funds. Each Fund is audited 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 each Fund generally distributes its audited financial statements on an annual basis to all investors no later than 120 days after the end of the applicable Fund’s fiscal year end.

Item 16 – Investment Discretion

Investment advice is provided to the Funds, subject to the direction and control of the Fund’s general partner (as applicable), and not individually to the investors in the Funds. Privet provides investment advisory services to each Fund in accordance with the Fund’s governing documents.

Item 17 – Voting Client Securities

Privet adopted a proxy voting policy whereby Privet will use its best efforts to vote proxies on behalf of each Fund in the best interests of the Fund. Privet’s proxy voting policies and procedures are designed to ensure that, if a material conflict of interest is identified in connection with a particular proxy vote, that the vote is not improperly influenced by the conflict. Upon request, investors can obtain information from Privet about how proxies were voted and the policies and procedures for voting proxies.

Item 18 – Financial Information

Not applicable.