

Brochure

Elm Ridge Management LLC

March 17, 2020

This brochure provides information about the qualifications and business practices of Elm Ridge Management LLC (the “Adviser”), an investment adviser registered with the United States Securities and Exchange Commission (the “SEC”). If you have any questions about the contents of this brochure, please contact us at 3 W. Main Street, 3rd Floor, Irvington, New York 10533, (914) 250-1000, or at compliance@elmridgecap.com. This information has not been approved or verified by the SEC or by any state securities authority.

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

Registration with the SEC or with any state securities authority does not imply a certain level of skill or training.

Elm Ridge Management LLC
3 W. Main Street, 3rd Floor
Irvington, New York 10533
Tel: (914) 250-1000
Fax: (914) 250-1005

Item 2. Material Changes

No material changes have occurred since the date of our last Brochure filed in July 2019. However, non-material updates have been included, such as updated regulatory assets under management.

TABLE OF CONTENTS

Item 2.	Material Changes	2
Item 3.	Table of Contents.....	3
Item 4.	Advisory Business.....	4
Item 5.	Fees and Compensation	5
Item 6.	Performance-Based Fees and Side-by-Side Management	6
Item 7.	Types of Clients	7
Item 8.	Methods of Analysis, Investment Strategies and Risk of Loss	8
Item 9.	Disciplinary Information.....	12
Item 10.	Other Financial Industry Activities and Affiliations	13
Item 11.	Code of Ethics, Participation or Interest in Client Transactions and Personal Trading.....	14
Item 12.	Brokerage Practices.....	15
Item 13.	Review of Accounts	18
Item 14.	Client Referrals and Other Compensation	19
Item 15.	Custody	20
Item 16.	Investment Discretion	21
Item 17.	Voting Client Securities	22
Item 18.	Financial Information.....	23

Item 4. Advisory Business

The Adviser is an investment adviser with its principal place of business in Irvington, New York. The Adviser commenced operations as an investment adviser on June 26, 2006 and has been registered with the SEC since April 2012. Ronald E. Gutfleish is the principal owner of the Adviser.

The Adviser provides advisory services on a discretionary basis to its clients, which include pooled investment vehicles intended for sophisticated investors and institutional investors (the "Funds") and an institution with a separately managed account (the "Account" and, collectively with the Funds, the "Clients").

The Adviser generally provides investment advice with respect to listed equity securities and listed equity options.

The Adviser provides advice to the Clients based on specific investment objectives and strategies. The Adviser does not tailor advisory services to the individual needs of clients.

Investors in the Funds may not impose restrictions on investing in certain securities or certain types of securities. However, the Account may impose restrictions on investing in certain securities or certain types of securities.

As of December 31, 2019, the Adviser had approximately \$212,174,562 in regulatory assets under management, all on a discretionary basis.

Item 5. Fees and Compensation

The Adviser charges each Fund an investment management fee in an amount ranging from 1% to 1.5% annually based on the value of the Fund's assets under management. The Adviser charges the Account an investment management fee in an amount ranging from 0.75% to 1% annually based on the value of the Account.

Investment management fees are charged each quarter in advance based on the total market value of the net equity in each Fund (including net unrealized appreciation or depreciation of investments and cash, cash equivalents and accrued interest) on the first day of the quarter. If an initial or additional investment is made to a Fund during a quarter, the investment management fee will be charged as of the date of such investment based on the value of such investment as of such date and will be prorated for the number of days remaining in the quarter.

The Adviser or a related person will be paid a performance-based fee or allocation, which is compensation that is based on a share of capital gains on or capital appreciation of the assets of a Client, in an amount ranging from 18% to 20% of such gains or appreciation in the case of the Funds and 15% of such gains or appreciation in the case of the Account.

The Adviser deducts investment management fees from the Funds by instructing the Funds' custodian following the administrator's calculation of the fee for the relevant period. The Adviser does not deduct the investment management fee from the Account; rather, the custodian of the Account pays the Adviser following the calculation and verification of the relevant fee.

In addition to paying investment management fees and performance-based compensation, each Fund will also be subject to expenses incurred in its investment operations, including all expenses incurred in connection with the purchase, sale, evaluation or carrying of any securities or investments, including, without limitation, custody, accounting and transfer fees, brokerage commissions, and expenses associated with the order management systems and trade allocation and acceptance services, interest expenses, and any expenses attributable to regulatory filings which are made with respect to the assets of the Fund (including, without limitation, Section 13, Section 16 and Form PF filings). Expenses borne by the Account generally include brokerage commissions, administrator fees and expenses, proxy voting expenses (if any) and other reasonable expenses (including legal fees) related to the purchase, sale, transmittal or pricing of assets for the Account.

In addition, the Clients will incur brokerage and other transaction costs. Please refer to Item 12 of this brochure for a discussion of the Adviser's brokerage practices.

The allocation of expenses by the Adviser between it and any client and among clients represents a conflict of interest for the Adviser. The Adviser allocates expenses to each client in accordance with the client's arrangements with the Adviser (including applicable client disclosures). The Adviser seeks to allocate shared expenses for products and services benefitting the Adviser and the client and not covered in the client's arrangements in a fair and reasonable manner. The Adviser may use a variety of methods to allocate common expenses among its clients, including methods based on assets under management, relative use of a product or service, the nature or source of a product or service, the relative benefits derived by the Adviser's clients from a product or service, or other relevant factors. Nonetheless, the portion of a common expense that the Adviser allocates to a client for a particular product or service may not reflect the relative benefit derived by such client from that product or service in any particular instance.

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

The Adviser and its investment personnel provide investment management services to multiple portfolios for multiple clients. The Adviser receives performance-based compensation from the Clients. Such performance-based compensation may create an incentive for the Adviser to make investments that are riskier or more speculative than would be the case in the absence of such performance-based compensation arrangements. In addition, the Adviser's investment personnel are typically compensated on a basis that includes a performance-based component. When the Adviser and its investment personnel manage more than one client account, the potential exists for one client account to be favored over another client account.

The Adviser has adopted and implemented policies and procedures intended to address conflicts of interest relating to the management of multiple accounts and the allocation of investment opportunities. The Adviser reviews investment decisions to ensure that all accounts with substantially similar investment objectives are treated equitably. The performance of similarly managed accounts is also regularly compared to determine whether there are any unexplained significant discrepancies. In addition, the Adviser's procedures relating to the allocation of investment opportunities require that the individual managing a particular trade will allocate the securities across the clients, considering such factors as (but not limited to) current account holdings, available cash for investment, and the size of each client's positions, and require that, to the extent orders are aggregated, the client orders are price-averaged. Finally, the Adviser's procedures also require that the Adviser take into account cash availability and need, eligibility, suitability, investment objectives and guidelines, and other factors deemed appropriate in making investment allocation decisions and conduct periodic reviews of client account performance, IPO distribution and purchase and sale journals to ensure that no client is being systematically favored or harmed in the selection and allocation of limited investment opportunities.

Item 7. Types of Clients

The Adviser's clients consist of the Funds and the Account.

Any initial and additional subscription minimums are disclosed in the offering memorandum for the applicable Fund or the investment management agreement for the Account, as applicable.

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

The Adviser utilizes a variety of methods and strategies to make investment decisions and recommendations. The methods of analysis include fundamental research, as well as use of technical analytical tools and approaches.

The Adviser employs the following investment strategies:

Fundamental Value. The Adviser engages in a fundamental value investment strategy wherein the Adviser attempts to invest in asset-oriented securities the Adviser believes are undervalued by the market.

Buy and Hold. The Adviser engages in a buy and hold investment strategy wherein the Adviser buys securities and holds them for a relatively longer period, regardless of short-term factors such as fluctuations in the market or volatility of the stock price.

Leverage. The Adviser's investment program at times utilizes leverage which involves the borrowing of funds from brokerage firms, banks and other institutions to be able to increase the amount of capital available for marketable securities investments.

Option Trading. The Adviser engages in various option trading investment strategies. Options are investments whose ultimate value is determined from the value of the underlying investment. The Adviser engages in the following types of option trading strategies: (i) buying put options on individual equity securities; buying call options on individual equity securities; buying index put options; buying index call options.

Relative Value. The Adviser pursues relative value strategies by taking long positions in securities believed to be undervalued and short positions in securities believed to be overvalued.

Short Selling. The Adviser engages in short selling strategies. In a short sale transaction, the Adviser sells a security it does not own in anticipation that the market price of that security will decline. The Adviser makes short sales (i) as a form of hedging to offset potential declines in long positions in similar securities, (ii) to maintain flexibility and, (iii) for profit.

Arbitrage Transactions. Arbitrage strategies attempt to take advantage of perceived price discrepancies of identical or similar financial instruments, on different markets or in different forms. Examples of arbitrage strategies include event-driven arbitrage, merger arbitrage, capital structure arbitrage, convertible arbitrage, fixed income or interest rate arbitrage, statistical arbitrage, debt spread arbitrage and index arbitrage. The Adviser may employ any one or more of these arbitrage strategies. If the requisite elements of an arbitrage strategy are not properly analyzed, or unexpected events or price movements intervene, losses can occur which can be magnified to the extent the Adviser is employing leverage. Moreover, arbitrage strategies often depend upon identifying favorable "spreads", which can also be identified, reduced or eliminated by other market participants.

These methods, strategies and investments involve risk of loss to clients and clients must be prepared to bear the loss of their entire investment.

Material risks (including significant or unusual risks) relating to the Adviser's investment strategies include:

Issuer-Specific Changes. Changes in the financial condition of an issuer or counterparty, changes in specific economic or political conditions that affect a security or issuer, and changes in general economic or political conditions can increase the risk of default by an issuer or counterparty, which can affect a security's or instrument's value. The value of securities of smaller, less well-known issuers can be more volatile than that of larger issuers. Smaller issuers can have more limited product lines, markets, or financial resources.

Hedging. There can be no assurances that a particular hedge is appropriate, or that certain risk is measured properly. Further, while the Adviser may enter into hedging transactions to seek to reduce risk, such transactions may result in poorer overall performance and increased (rather than reduced) risk for the Adviser's investment portfolios than if the Adviser did not engage in any such hedging transactions.

Lack of Diversification. Client accounts will not be diversified among a wide range of types of securities, countries or industry sectors. Accordingly, client portfolios are subject to more rapid change in value than would be the case if the Adviser were required to maintain a wider diversification among types of securities and other instruments.

Leverage. Performance may be more volatile if a client's account employs leverage.

Relative Value Risk. If the perceived mispricing underlying the Adviser's relative value trading positions were to fail to converge toward, or were to diverge further from, relationships expected by the Adviser, client accounts may incur a loss.

Short Selling Risk. The Adviser's investment program includes a significant amount of short selling. Short selling transactions expose the Adviser to the risk of loss in an amount greater than the initial investment, and such losses can increase rapidly and without effective limit. There is the risk that the securities borrowed by the Adviser in connection with a short sale would need to be returned to the securities lender on short notice. If such request for return of securities occurs at a time when other short sellers of the subject security are receiving similar requests, a "short squeeze" can occur, wherein the Adviser might be compelled, at the most disadvantageous time, to replace the borrowed securities previously sold short with purchases on the open market, possibly at prices significantly more than the proceeds received earlier.

Risks associated with types of securities that are primarily recommended (including significant or unusual risks) include:

Equity Securities. The value of equity securities fluctuates in response to issuer, political, market, and economic developments. Fluctuations can be dramatic over the short as well as long term, and different parts of the market and different types of equity securities can react differently to these developments. For example, large cap stocks can react differently from small cap stocks, and "growth" stocks can react differently from "value" stocks. Issuer, political, or economic developments can affect a single issuer, issuers within an industry or economic sector or geographic region, or the market as a whole. Changes in the financial condition of a single issuer can impact the market. Terrorism and related geo-political risks have led, and may in the future lead, to increased short-term market volatility and may have adverse long-term effects on world economies and markets generally.

Illiquid Instruments. Reduced liquidity may have an adverse impact on market price and the Adviser's ability to sell particular securities when necessary to meet liquidity needs or in response to a specific economic event, such as the deterioration of creditworthiness of an issuer. Reduced liquidity in the secondary market for certain securities may also make it more difficult for the Adviser to obtain market quotations based on actual trades for valuing a portfolio.

Investments in Small and Mid-Capitalization Companies. Pursuit of the Partnership's investment strategy may result in a significant portion of the Partnership's assets being invested in securities of small-cap and mid-cap issuers, which may present greater risks than large-cap issuers. For example, some small and mid-cap issuers often have limited product lines, markets, or financial resources. They may be subject to high volatility in revenues, expenses and earnings. They may be dependent for management on one or a few key persons and can be more susceptible to losses and risks of bankruptcy. Their securities may be thinly traded (and therefore must be sold at a discount from current market prices or sold in small lots over an extended period), may be followed by fewer investment research analysts and may be subject to wider price swings and thus may create a greater chance of loss than when investing in securities of larger-cap issuers. In addition, small and mid-cap issuers may not be well-known to the investment public and may have only limited institutional ownership. The market prices of securities of small and mid-cap issuers may be more sensitive to changes in earnings expectations, to corporate developments and to market rumors

than are the market prices of large-cap issuers. Transaction costs in securities of small and mid-cap issuers may be higher than in those of large-cap issuers.

REITs. REITs in which the Adviser invests (or takes a short position with respect to) client accounts are affected by underlying real estate values, which may have an exaggerated effect to the extent that REITs in which the Adviser invests concentrate investments in particular geographic regions or property types. Investments in REITs are also subject to the risk of interest rate volatility. Further, falling interest rates could cause investors in REITs to demand a lower annual yield from future distributions, which will in turn increase market prices for equity securities issued by REITs. REITs are subject to risks inherent in operating and financing a limited number of projects because they are dependent upon specialized management skills and have limited diversification.

Derivatives. Swaps, and certain options and other custom derivative or synthetic instruments are subject to the risk of nonperformance by the counterparty to such instrument, including risks relating to the financial soundness and creditworthiness of the counterparty. In addition, investments in derivative instruments require a high degree of leverage, meaning the overall contract value (and, accordingly, the potential for profits or losses in that value) is much greater than the modest deposit used to buy the position in the derivative contract. Derivative securities can also be highly volatile. The prices of derivative instruments and the investments underlying the derivative instruments may fluctuate rapidly and over wide ranges and may reflect unforeseeable events or changes in conditions, none of which can be controlled by the client or the Adviser. Further, transactions in derivative instruments are not undertaken on recognized exchanges and will expose the client's account to greater risks than regulated exchange transactions that provide greater liquidity and more accurate valuation of securities.

Non-U.S. Securities. Foreign securities, foreign currencies, and securities issued by U.S. entities with substantial foreign operations can involve additional risks relating to political, economic, or regulatory conditions in foreign countries. These risks include fluctuations in foreign currencies; withholding or other taxes; trading, settlement, custodial, and other operational risks; and the less stringent investor protection and disclosure standards of some foreign markets. All these factors can make foreign investments, especially those in emerging markets, more volatile and potentially less liquid than U.S. investments. In addition, foreign markets can perform differently from the U.S. market.

Additional Risks Relating to the Adviser:

Cybersecurity Risk. The information and technology systems of the Adviser and of key service providers to the Adviser and its clients may be vulnerable to potential damage or interruption from computer viruses, network failures, computer and telecommunication failures, infiltration by unauthorized persons and security breaches, usage errors by their respective professionals, power outages and catastrophic events such as fires, tornadoes, floods, hurricanes and earthquakes. Although the Adviser has implemented various measures designed to manage risks relating to these types of events, if these systems are compromised, become inoperable for extended periods of time or cease to function properly, it may be necessary for the Adviser to make a significant investment to fix or replace them and to seek to remedy the effect of these issues. The failure of these systems and/or of disaster recovery plans for any reason could cause significant interruptions in the operations of the Adviser or its client accounts and result in a failure to maintain the security, confidentiality or privacy of sensitive data, including personal information.

Risk Management Failures. Although the Adviser attempts to identify, monitor and manage significant risks, these efforts do not take all risks into account and there can be no assurance that these efforts will be effective. Moreover, many risk management techniques, including those employed by the Adviser, are based on historical market behavior, but future market behavior may be entirely different and, accordingly, the risk management techniques employed on behalf of clients may be incomplete or altogether ineffective. Similarly, the Adviser may be ineffective in implementing or applying risk management techniques. Any inadequacy or failure in risk management efforts could result in material losses to clients.

Systems and Operational Risk. The Adviser relies on certain financial, accounting, data processing and other operational systems and services that are employed by the Adviser and/or by third party service

providers, including prime brokers, the third-party administrator, market counterparties and others. Many of these systems and services require manual input and are susceptible to error. These programs or systems may be subject to certain defects, failures or interruptions. For example, the Adviser and its clients could be exposed to errors made in the confirmation or settlement of transactions, from transactions not being properly booked, evaluated or accounted for or related to other similar disruptions in the clients' operations. In addition, despite certain measures established by the Adviser and third-party service providers to safeguard information in these systems, the Adviser, clients and their third-party service providers are subject to risks associated with a breach in cybersecurity which may result in damage and disruption to hardware and software systems, loss or corruption of data and/or misappropriation of confidential information. Any such errors and/or disruptions may lead to financial losses, the disruption of the client trading activities, liability under applicable law, regulatory intervention or reputational damage.

Item 9. Disciplinary Information

This Item is not applicable.

Item 10. Other Financial Industry Activities and Affiliations

Each of the Funds for which the Adviser or its related person serves as general partner or investment manager has entered, and may in the future enter, into agreements, or “side letters,” with certain prospective or existing limited partners or shareholders whereby such limited partners or shareholders may be subject to terms and conditions that are more advantageous than those set forth in the offering memorandum for the Fund. For example, such terms and conditions may provide for special rights to make future investments in the Fund, other investment vehicles or managed accounts; rights relating to frequency or notice; rights to receive reports from the Fund on a more frequent basis or that include information not provided to other limited partners or shareholders (including, without limitation, more detailed information regarding portfolio positions) and such other rights as may be negotiated by the Fund and such limited partners or shareholders. The modifications are solely at the discretion of the Fund.

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

The Adviser has adopted a Code of Ethics (the “Code”) that obligates the Adviser and its related persons to put the interests of the Adviser’s clients before their own interests and to act honestly and fairly in all respects in their dealings with clients. All the Adviser’s personnel are also required to comply with applicable federal securities laws. Clients or prospective clients may obtain a copy of the Code by contacting Sheetal Acharekar (Chief Compliance Officer) by email at compliance@elmridgecap.com, or by telephone at (914) 250-1000. See below for further provisions of the Code as they relate to the pre-clearing and reporting of securities transactions by related persons.

The Adviser, during its investment management activities, may come into possession of confidential or material nonpublic information about issuers, including issuers in which the Adviser or its related persons have invested or seek to invest on behalf of clients. The Adviser is prohibited from improperly disclosing or using such information for its own benefit or for the benefit of any other person, regardless of whether such other person is a client. The Adviser maintains and enforces written policies and procedures that prohibit the communication of such information to persons who do not have a legitimate need to know such information and to assure that the Adviser is meeting its obligations to clients and remains in compliance with applicable law. In certain circumstances, the Adviser may possess certain confidential or material, nonpublic information that, if disclosed, might be material to a decision to buy, sell or hold a security, but the Adviser will be prohibited from communicating such information to the client or using such information for the client’s benefit. In such circumstances, the Adviser will have no responsibility or liability to the client for not using such information for the client’s benefit, because of following the Adviser’s policies and procedures designed to provide reasonable assurances that it is complying with applicable law.

In addition, to the extent the Adviser or its related persons invest in the same securities that the Adviser or a related person recommends to clients, such practices could present a conflict where, because of the information the Adviser has, the Adviser or its related person is in a position to trade in a manner that could adversely affect clients (e.g., place their own trades before or after client trades are executed in order to benefit from any price movements due to the clients’ trades). In addition to affecting the Adviser’s or its related person’s objectivity, these practices by the Adviser or its related persons could also harm clients by adversely affecting the price at which the clients’ trades are executed. Considering the conflicts of interest inherent in such transactions, the Adviser requires its related persons to pre-clear all transactions (excluding transactions in “reportable securities”) in their personal accounts with the Chief Compliance Officer, who may deny permission to execute the transaction, particularly if such transaction appears to pose a conflict of interest or otherwise appears improper. The Adviser will generally not approve purchases of reportable securities issued by companies that are part of the universe of companies that the Adviser follows. The Adviser will generally approve sales of reportable securities, if the proposed transactions do not pose potential conflicts or otherwise appear improper.

Item 12. Brokerage Practices

The Adviser considers several factors in selecting a broker-dealer to execute transactions (or series of transactions) and determining the reasonableness of the broker-dealer's compensation. Such factors include net price, reputation, financial strength and stability, ability to place trades in difficult market environments, timeliness of execution and error resolution, timeliness and accuracy of trade confirmations, expertise as it relates to specific securities, offering to the Adviser on-line access to trade resolution and/or computerized data regarding a client's accounts. In selecting a broker-dealer to execute transactions (or series of transactions) and determining the reasonableness of the broker-dealer's compensation, the Adviser need not solicit competitive bids and does not have an obligation to seek the lowest available commission cost. It is not the Adviser's practice to negotiate "execution only" commission rates, thus a client may be deemed to be paying for research, brokerage or other services provided by a broker-dealer which are included in the commission rate. The Adviser's Brokerage Review Committee meets periodically to evaluate the broker-dealers used by the Adviser to execute client trades using the foregoing factors.

The Adviser receives research or other products or services other than execution from a broker-dealer and/or a third party in connection with client securities transactions. This is known as a "soft dollar" relationship. The Adviser will limit the use of "soft dollars" to obtain research and brokerage services to services that constitute research and brokerage within the meaning of Section 28(e) of the Securities Exchange Act of 1934 ("Section 28(e)"). Research services within Section 28(e) may include, but are not limited to, research reports (including market research); certain financial newsletters and trade journals; software providing analysis of securities portfolios; corporate governance research and rating services; attendance at certain seminars and conferences; discussions with research analysts; meetings with corporate executives; consultants' advice on portfolio strategy; data services (including services providing market data, company financial data and economic data); advice from broker-dealers on order execution; and certain proxy services. Brokerage services within Section 28(e) may include, but are not limited to, services related to the execution, clearing and settlement of securities transactions and functions incidental thereto (i.e., connectivity services between an adviser and a broker-dealer and other relevant parties such as custodians); trading software operated by a broker-dealer to route orders; software that provides trade analytics and trading strategies; software used to transmit orders; clearance and settlement in connection with a trade; electronic communication of allocation instructions; routing settlement instructions; post trade matching of trade information; and services required by the SEC or a self regulatory organization such as comparison services, electronic confirms or trade affirmations.

When the Adviser uses client commissions to obtain Section 28(e) eligible research and brokerage products and services, the Adviser's Brokerage Review Committee meets periodically to review and evaluate its soft dollar practices and to determine in good faith whether, with respect to any research or other products or services received from a broker-dealer, the commissions used to obtain those products and services were reasonable in relation to the value of the brokerage, research or other products or services provided by the broker-dealer. This determination will be viewed in terms of either the specific transaction or the Adviser's overall responsibilities to the accounts or portfolios over which the Adviser exercises investment discretion.

The use of client commissions to obtain research and brokerage products and services raises conflicts of interest. For example, the Adviser will not have to pay for the products and services itself. This creates an incentive for the Adviser to select or recommend a broker-dealer based on its interest in receiving those products and services.

The Adviser may cause clients to pay commissions higher than those charged by other broker-dealers in return for soft dollar benefits (known as paying-up), resulting in higher transaction costs for clients.

Notwithstanding the foregoing, no soft dollar arrangement may be entered by the Adviser's employees on behalf of advisory clients without the approval of the Chief Compliance Officer. In the case of research products or services provided by a broker where a specific cost (either in dollars or commissions) is attributed to the product or service by the broker (e.g., nonproprietary research), such approval will be

documented by means of an invoice approved and signed by the Chief Compliance Officer, or by other appropriate forms of written approval.

Research and brokerage services obtained using commissions arising from a client's portfolio transactions may be used by the Adviser in its other investment activities, including its investment activities on behalf of clients who bear a significantly smaller portion of such commissions as compared to other clients of the Adviser.

During the Adviser's last fiscal year, as a result of client brokerage commissions, the Adviser and/or its related persons acquired, including both internally generated items (such as proprietary research reports prepared by employees of the broker-dealer), as well as items acquired by the broker-dealer from third parties (such as outside research prepared by third-party research firms): written information and analyses concerning specific securities, companies or sectors; market, financial and economic studies and forecasts; specialized financial publications; news, quotation, statistics and pricing services, as well as discussions with research personnel.

The Adviser has entered into "client commission arrangements" pursuant to which the Adviser may execute transactions through a broker-dealer and request that the broker-dealer allocate a portion of the commissions or commission credits to another firm that provides research and other products to the Adviser. The Adviser excludes from use under these arrangements those products and services that are not eligible under Section 28(e) and applicable regulatory interpretations.

In some instances, the Adviser may obtain a product or service that is used, in part, by the Adviser for Section 28(e) eligible purposes and, in part, for other purposes. In such instances, the Adviser will make a good faith effort to determine the relative proportion of the "mixed-use" product or service used to assist the Adviser in carrying out its investment decision-making responsibilities and the relative proportion used for administrative or other purposes outside Section 28(e). Such determination will be made based on the actual use of the product or service by the Adviser's personnel (e.g., the component that aids the Adviser in the investment decision-making process as compared to the component that relates to other activities) or such other appropriate measure of the value of the product for each use as the CCO determines to be appropriate. The proportion of the product or service attributable to assisting the Adviser in carrying out its investment decision-making responsibilities will be paid through brokerage commissions generated by client transactions and the proportion attributable to administrative or other purposes outside Section 28(e) will be paid for by the Adviser from its own resources. The Adviser will maintain records that document the basis for allocation of "mixed-use" products or services. The determination by the Adviser of the appropriate allocation of "mixed use" products and services create a potential conflict of interest between the Adviser and its clients.

From time to time the Adviser may participate in capital introduction programs arranged by broker-dealers, including firms that serve as prime brokers to a private fund managed by the Adviser or recommend these private funds as an investment to clients. The Adviser may place client portfolio transactions with firms who have made such recommendations or provided capital introduction opportunities, if the Adviser determines that it is otherwise consistent with seeking best execution. In no event will the Adviser select a broker-dealer as a means of remuneration for recommending the Adviser or any other product managed by the Adviser (or an affiliate) or affording the Adviser with the opportunity to participate in capital introduction programs.

The Adviser often purchases or sells the same security for its Clients contemporaneously and using the same executing broker. It is the Adviser's practice, where possible, to aggregate client orders for the purchase or sale of the same security submitted contemporaneously for execution using the same executing broker. The Adviser will also aggregate in the same transaction the same securities for accounts where the Adviser has brokerage discretion. Such aggregation may enable the Adviser to obtain for clients a more favorable price or a better commission rate based upon the volume of a particular transaction. The individual managing the trade will allocate the securities across the Clients, considering such factors as (but not limited to) current account holdings, available cash for investment, and the size of each Client's positions. Orders for the same security entered on behalf of more than one Client will generally be

aggregated (e.g., blocked or bunched) subject to the aggregation being in the best interests of all participating Clients. All clients participating in each aggregated order shall receive the average price. Adjustments or changes may be made under certain circumstances, such as where portfolio management unexpectedly learns about investment opportunities and completing such written allocations proves unreasonable. If an aggregated order is only partially filled, the Adviser's procedures provide that the allocation shall be made in the best interests of the Clients involved in the order, considering all relevant factors, including, but not limited to, the size of each Client's allocation, liquidity needs and previous allocations. Normally, the Adviser seeks to ensure that the Clients receive a pro-forma allocation based on the initial allocation.

Item 13. Review of Accounts

Each Client's portfolio is reviewed by the portfolio manager of the Adviser on a regular basis to determine whether securities positions should be maintained in view of current market conditions. Matters reviewed include specific securities held, portfolio and sector exposures, overall risks, adherence to investment guidelines and the performance of each Client.

Significant market events affecting the price of one or more securities in a Client's portfolio may trigger reviews of the Client's portfolio on other than a periodic basis.

Investors in each Fund receive reports from the relevant Fund pursuant to the terms of such Fund's offering memorandum. The Account will receive quarterly performance reports from the Adviser. Such reports may be delivered electronically to the client in accordance with the client's agreement with the Adviser.

Item 14. Client Referrals and Other Compensation

The Adviser receives certain research or other products or services from broker-dealers through “soft-dollar” arrangements. These “soft-dollar” arrangements create an incentive for the Adviser to select or recommend broker-dealers based on the Adviser’s interest in receiving the research or other products or services and may result in the selection of a broker-dealer on the basis of considerations that are not limited to the lowest commission rates and may result in higher transaction costs than would otherwise be obtainable by the Adviser on behalf of its clients. Please see Item 12 for further information on the Adviser’s “soft-dollar” practices, including the Adviser’s procedures for addressing conflicts of interest that arise from such practices.

Item 15. Custody

The Adviser and its affiliate are deemed to have custody of Client assets and intend to comply with Rule 206(4)-2 under the Advisers Act by meeting the conditions of the “Pooled Vehicle Annual Audit Exception”. Such Rule requires that each Fund be subject to an annual financial statement audit by an independent public accountant registered with, and subject to regular inspection by, the Public Company Accounting Oversight Board. The audited financial statements are required to be prepared in accordance with generally accepted accounting principles in the U.S. and distributed to each Fund Investor within 120 days of the applicable Fund’s fiscal year end.

Item 16. Investment Discretion

The Adviser provides investment advisory services on a discretionary basis to clients.

Prior to assuming full discretion in managing a client's assets, the Adviser enters into an investment management agreement or other agreement that sets forth the scope of the Adviser's discretion.

The Adviser has the authority to determine (i) the securities to be purchased and sold for the client account (subject to restrictions on its activities set forth in the applicable investment management agreement and any written investment guidelines) (ii) the amount of securities to be purchased or sold for the client account. Because of the differences in client tax status and other criteria, there may be differences among clients in invested positions and securities held. The Adviser may consider the following factors, among others, in allocating securities among clients: (i) client investment objectives and strategies; (ii) client risk profiles; (iii) tax status and restrictions placed on a client's portfolio by the client or by applicable law; (iv) size of the client account; (v) nature and liquidity of the security to be allocated; (vi) size of available position; (vii) current market conditions; and (viii) account liquidity, account requirements for liquidity and timing of cash flows. Although it is the Adviser's policy to allocate investment opportunities to eligible client accounts on a pro rata basis (based on the value of the assets of each participating account relative to value of the assets of all participating accounts), these factors may lead the Adviser to allocate securities to client accounts in varying amounts. Even client accounts that are typically managed on a pari passu basis may from time to time receive differing allocations of securities based on total assets of each account eligible to invest in the investment type (e.g., equities) divided by the total assets of all accounts eligible to invest in the particular investment.

When the Adviser transacts in limited investment opportunities (such as initial public offerings (IPO's)) for the Clients' accounts, the Adviser considers cash availability and need, eligibility, suitability, investment objectives and guidelines, and other factors deemed appropriate in making investment allocation decisions. The Adviser will conduct periodic reviews of client account performance, IPO distribution and purchase and sale journals to ensure that no Client is being systematically favored or harmed in the selection and allocation of limited investment opportunities. In general, allocations will be made among client accounts eligible to participate in initial public offerings and secondary offerings on a pro rata basis, except when the Adviser determines in its discretion that a pro rata allocation is not appropriate, which may include a client's status as a "restricted person" or "covered person" under applicable regulations.

If it appears that a trade error has occurred, the Adviser will review the error and attempt to correct it. If the error cannot be corrected, the Adviser will evaluate in its sole discretion whether to make any adjustment, regardless of whether the error works to the benefit or detriment of the Client(s). This decision of whether to make such an adjustment involves a conflict of interest between the Clients and the Adviser in that the cost of any such adjustment would be paid by the Adviser and may not be reimbursable by insurance. For the avoidance of doubt, the Adviser is not obligated to reimburse the Clients for the cost of any trade error unless such error is due to actions by the Adviser for which the Adviser would not be entitled to indemnification pursuant to the applicable investment management agreement.

Item 17. Voting Client Securities

To the extent the Adviser has been delegated proxy voting authority on behalf of its clients, the Adviser complies with its proxy voting policies and procedures that are designed to ensure that in cases where the Adviser votes proxies with respect to client securities, such proxies are voted in the best interests of its clients.

In voting proxies, the Adviser utilizes the services of a third-party proxy agent that researches and analyzes each proposal and recommends a vote based upon what it believes is in the best interest of shareholders. The Adviser regularly follows that recommendation except in cases where it believes the best interests of the shareholders would not be promoted by following such recommendation.

If the Adviser is aware of a material conflict of interest between the Adviser and a client, the Adviser will follow the vote of the independent third party. The Adviser does not make any qualitative judgment regarding its client's investments.

As a fiduciary, the Adviser always seeks to act in clients' best interests with good faith, loyalty, and due care. The Adviser's standard advisory contract authorizes the Company to direct client participation in class actions. The CCO will determine whether clients will (a) participate in a recovery achieved through class actions, or (b) opt out of the class action and separately pursue their own remedy. The CCO oversees the completion of Proof of Claim forms and any associated documentation, the submission of such documents to the claim administrator, and the receipt of any recovered monies. The CCO will maintain documentation associated with clients' participation in class actions.

Employees must notify the CCO if they are aware of any material conflict of interest associated with clients' participation in class actions. The CCO will evaluate any such conflicts and determine an appropriate course of action for the Adviser.

The Adviser generally does not serve as the lead plaintiff in class actions because the costs of such participation typically exceed any extra benefits that accrue to lead plaintiffs.

Clients may obtain a copy of the Adviser's proxy voting policies and procedures and information about how the Adviser voted a client's proxies by contacting Sheetal Acharekar (Chief Compliance Officer) by email at compliance@elmridgecap.com or by telephone at (914)-250-1000.

Item 18. Financial Information

This Item is not applicable.