

ADW CAPITAL MANAGEMENT LLC

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PART 2A OF FORM ADV: FIRM BROCHURE

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This brochure provides information about the qualifications and business practices of ADW Capital Management LLC (“ADW” or “Firm”). If you have any questions about the contents of this brochure, please contact ADW’s Chief Compliance Officer (“CCO”), Adam D. Wyden, at 646-684-4086. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission (“SEC”) or by any state securities authority.

Any reference to ADW as a registered investment adviser does not imply a certain level of skill or training.

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

Item 2: Material Changes

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

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Item 4: Advisory Business

ADW, a Delaware limited liability company, was founded in September 2010 by Adam D. Wyden (the “Managing Member”). The Firm filed to become a registered investment adviser with the SEC in May 2018. The Firm’s principal place of business is New York, NY.

ADW is an investment manager that offers discretionary investment management services to domestic privately offered pooled investment vehicles and managed accounts. ADW is the investment manager and general partner of ADW Capital Partners LP (“**Fund**”). The Fund is intended for investment by certain investors that meet the definition of “Qualified Purchaser” as defined under Regulation D of the Securities Act of 1933 (“Securities Act”), as amended, and qualified purchasers under Section 2(a)(51) of the Investment Company Act of 1940, as amended (the “**Company Act**”) so as to comply with the exemptions under Section 3(c)(7) of the Company Act.

The Fund is formed to pool investment assets of its investors (each a “**Limited Partner**” and, collectively, “**Limited Partners**,” and the Limited Partners, collectively with the General Partner, shall be referred to herein as the “**Partners**”). ADW is responsible for all management decisions on behalf of the Fund and has discretionary trading authority over the Fund’s assets. ADW is controlled by the Managing Member.

The Firm tailors its advisory services to the Fund it manages in accordance with the terms of the relevant offering memorandum or mandate. Limited Partners generally cannot obtain services tailored to their individual specific needs.

Not applicable. ADW does not participate in, nor does it sponsor, a wrap fee program.

ADW has \$106,061,643 in regulatory assets under management on a discretionary basis as of December 31, 2019. ADW does not manage client assets on a non-discretionary basis.

Item 5: Fees and Compensation

The offering documents for the Fund sets forth the specific fees and other material terms regarding an investment in the Fund.

In consideration of its investment management services, the Fund pays ADW a management fee at the beginning of each calendar quarter, or the first day after a closing with respect to a new investor, equal to two percent (per annum) of the capital account balance of each investor, subject to proportionate reimbursement for any withdrawals during such calendar quarter. The management fee is debited against the capital account of such investor provided that to the extent the applicable period is less than an entire calendar quarter, the management fee for such as period is reduced proportionally.

Details regarding ADW's management fees are set forth in the Fund's offering memorandum ("**Offering Memorandum**") or Limited Partnership Agreement ("**LPA**").

On an annual basis, the Firm is reallocated a performance allocation ("**Performance Allocation**") from the capital account of each investor in the Fund to the capital account of an entity affiliated with the Firm. The Performance Allocation is 20% of each investor's allocable share of net profits for the applicable fiscal year, subject to a high-water mark. Further details of other potential fees are detailed in 5.C.

The Firm may, in its sole discretion, elect to reduce or waive the management fee with respect to any investor.

Pursuant to the terms of the Fund's Offering Memorandum, the Firm is authorized to deduct management fees from each investor's capital account on a quarterly basis.

The Fund's Offering Memorandum and/or LPA contains information regarding the fees and expenses of the Fund managed by the Firm.

Through the Fund, each investor indirectly pays for its share of all costs and expenses directly related to investment transactions, including: marketing and offering expenses; all operating and administrative expenses related to the operation and business of the Fund such as tax preparation fees, governmental fees and taxes, Fund administrator fees, custodial and prime brokerage expenses and fees, communications with investors, and ongoing legal, accounting, auditing, administration, appraisal, bookkeeping, consulting, and other professional fees and expenses, including for litigation, and preparation of the Fund's financial statements and reports; all Fund costs, expenses, and charges incurred in connection with the investment and trading activities of the Fund (e.g., brokerage commissions, mark-ups, margin interest, expenses related to short sales, custodial fees, clearing and settlement charges, and other transaction costs to brokers); professional and other advisory and consulting expenses incurred in connection with investment due diligence, monitoring, or the assertion of rights or pursuit of remedies; all fees and other expenses incurred in connection with the investigation, prosecution, or defense of any claims by or against the Fund; interest on, fees, and expenses arising out of all borrowings made by the Fund; organizational costs; expenses of any meetings of or reports to the investor; the

costs of any litigation and indemnification relating to the affairs of the Fund; fees and expenses related to third-party research, publications, data, and data services (including pricing services), including research provided by banks, brokerage firms, and other vendors, expert matching services, news services, business and political analysis services, due diligence and other investigative services, pricing feeds, and a wide range of other data, including data about markets, financial instruments, issuers, and other inputs into models or systems; costs of compliance with applicable laws and regulations of governmental and self-regulatory bodies, including costs incurred by ADW and its affiliates in complying with applicable laws and regulations that apply to any such entities as a result of their services to the Fund; the Fund's expenses associated with forming and maintaining the legal existence of the Fund, including directors' fees, administrators' fees, occupancy costs, and other operating costs of entities that maintain their own offices in certain jurisdictions; travel expenses and other costs incurred in connection with the business and investment activities of the Fund and the investment due diligence process, meals, lodging, international data and roaming, business development, and incidentals; and all other reasonable expenses related to the management and operation of the Fund and/or the purchase, sale, or disposition of investor interests.

The Firm generally bears all of its own overhead costs and expenses, including salaries, supplies, utility costs, and office space.

Not Applicable. Fees are not paid in advance. The Firm, in its sole discretion, may waive, by rebate or otherwise, all or part of the management fee otherwise due with respect to any Partner's investment, including, without limitation, its affiliates, members, and/or employees.

Not Applicable. Neither ADW, nor any of its supervised persons, are compensated for the sale of securities or other investment products.

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

The existence of the performance fee could theoretically incentivize ADW to manage the Fund in a more aggressive, risky manner; however, ADW has established policies and procedures designed to address potential conflicts of interest relating to the side-by-side management of the Funds with any other client(s), including the allocation of investment and trading opportunities, and in circumstances where any client pays a different management fee and/or performance fee than another. The Firm reviews the portfolio holdings of each client to determine whether any patterns exist which indicate improper allocation, or whether there is any other indication of impropriety. In addition, the Firm's procedures relating to the allocation of investment opportunities require that clients participate in investment opportunities pro rata based on each client's current assets under management (subject to the client's investment guidelines of restrictions, stage of capital deployment, available cash or other liquidity restraints, or other tax or legal reasons). Finally, the Firm's procedures also require fair and equitable treatment in light of the relevant circumstances for the allocation of limited opportunities among clients.

Item 7: Types of Clients

ADW provides portfolio advisory and management services solely to the Fund based on its investment objectives and not based on the criteria or investment objectives of any individual investor of the Fund. The Fund requires newly admitted investors to be “qualified purchasers” under Regulation D of the Securities Act and “qualified clients” under the Advisers Act.

Additionally, the Funds each have a minimum investment requirement of \$2,000,000 for investors, although this minimum may be waived or reduced as provided in the offering documents of each Fund.

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

The Firm seeks to achieve long-term capital appreciation by investing in securities within a wide range of market capitalizations, though the Fund's portfolio may be primarily invested in liquid securities of micro- and small-capitalization growth companies through open-market purchases, utilizing a long/short absolute return strategy.

In connection with its investments, the Fund maintains a long-bias and applies short strategies in a limited, opportunistic, and diversified manner as a means to both mitigate risks and maximize returns.

The Fund may take long and short positions in a variety of asset classes, including: common and preferred equity, bonds, notes, options, index securities, hedging instruments, exchange traded funds (ETFs), private equity, and any other financial instrument that the Firm believes offer an attractive risk/return profile. However, the Fund primarily invests in common stock.

The Fund's investment program is speculative and involves a significant degree of risk. There can be no assurance that the investment or risk management objectives of the Fund will be achieved or that an investment in the Fund will be profitable. In fact, the practice of short selling and other investment techniques employed by the Fund will, in certain circumstances, increase the adverse impact to which the Fund's investment portfolio will be subject. Nothing in this Form ADV is intended to imply, and no one is or will be authorized to represent, that the Fund's investment program is low risk or risk free.

The following summary identifies and provides a brief explanation of the material risks related to the Firm's significant investment strategies and should be carefully evaluated before making an investment with the Firm; however, the following does not intend to identify all possible risks of an investment with the Firm or provide a full description of the identified risks of an investment in the Fund. Additional information regarding the material risks related to the Firm's significant investment strategies is set forth in the Fund's Offering Memorandum and/or LPA.

Prospective investors should give careful consideration to the following risk factors in evaluating the merits and suitability of an investment in the Fund as they relate specifically to interests in the Fund or to the Fund in general, as the context requires. The following does not purport to be a comprehensive summary of all of the risks associated with an investment in the Fund. Rather, the following are only certain risks to which the Fund is subject and that the Firm wishes to encourage prospective investors to discuss in detail with their professional advisors.

General Economic and Market Conditions. The success of the Fund's activities will be affected by general economic and market conditions, such as changes in interest rates, availability of credit and debt-related issues, inflation rates, economic uncertainty, market volatility, changes in laws (including laws relating to taxation of the Fund's investments), trade barriers, unemployment rates, release of economic data, currency exchange controls, and national and international political circumstances (including wars, terrorist acts, natural disasters,

or security operations). These factors may affect the level and volatility of securities prices and the liquidity of the Fund's investments. Volatility and/or illiquidity could impair the Fund's profitability or result in losses. The Fund could incur material losses even if the Firm reacts quickly to difficult market or economic conditions, and there can be no assurance that the Fund will not suffer material losses and other adverse effects from broad and rapid changes in economic and market conditions in the future. Investors should realize that markets for the financial instruments in which the Fund seeks to invest can correlate strongly with each other at times or in ways that are difficult for the Firm to predict. Even a well-analyzed approach may not protect the Fund from significant losses under certain market conditions.

Regulatory Developments. The legal, tax, and regulatory environment worldwide for private investment funds (such as the Fund) is evolving, and changes in the regulation of private investment funds, their managers, and their trading and investing activities may have a material adverse effect on the ability of the Fund to pursue its investment program and the value of investments held by the Fund. There has been an increase in scrutiny of the alternative investment industry by governmental agencies and self-regulatory organizations. New laws and regulations or actions taken by regulators that restrict the ability of the Fund to pursue its investment program or conduct business with brokers and other counterparties could have a material adverse effect on the Fund.

Investment and Trading Risks Generally. All investments risk the loss of capital. No guarantee or representation is made that the Fund's program will be successful or that an investment in the Fund will be profitable. The Fund's investment program involves and/or may involve, without limitation, risks associated with limited diversification, short-selling, leverage, micro- and small-capitalization companies, equity risks, distressed issuers, interest rates, currencies, volatility, tracking risks in hedged positions, security borrowing risks in short sales, credit deterioration or default risks, systems risks, and other risks inherent in the Fund's activities. Certain investment techniques of the Fund may, in certain circumstances, substantially increase the impact of adverse market movements to which the Fund may be subject. In addition, the Fund's investments may be materially affected by conditions in the financial markets and overall economic conditions occurring globally and in particular countries or markets where the Fund invests its assets.

The Fund's methods of minimizing 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.

Investment Selection and Market Risk. "Investment selection risk" is defined herein as the risk that the Firm may not select and size positions appropriately within the portfolio. An associated "market risk" arises from the influence of the movements of the overall market or the value of the individual investments in the portfolio. The profitability of a significant portion of the Fund's investment program depends to a great extent upon correctly predicting the future price movements and/or general value of securities and other investments. There can be no assurance that the Firm will be able to accurately predict these price movements or future valuation, nor can assurance be given that the Fund's investment portfolio will generate any returns or otherwise appreciate in value. With respect to the investment strategy utilized by the

Fund, there is also market risk. For these reasons, the portfolio may also incur losses, and a prospective investor should not invest in the Fund unless it is in a position to sustain a substantial loss with respect to its investment in the Fund.

Discretion and Changes in Investment Strategy. The Firm has discretion in choosing the investments acquired by the Fund and has the right to modify the selection criteria or hedging techniques (if any) used by the Fund without the consent of the Limited Partners. Any of the investment strategies, analytical models, or trading techniques may have operational or theoretical shortcomings, which could result in unsuccessful trades and, ultimately, losses to the Fund. In addition, any new investment strategy or hedging technique developed may be more speculative than earlier techniques and may increase the risk of an investment in the Fund.

Limited Diversification and Risk Management Failures. The Fund's investments are not required to be diversified to any material extent. At any given time, it is possible that the Fund's investments or portfolio risks could be concentrated in only a few industries, companies, geographic regions, asset types, strategies, or other areas of risk. Such concentration could increase losses suffered by the Fund and, as a result, the Fund could experience significant losses if general economic conditions, and, in particular, those relevant to the issuers whose securities are owned by the Fund, decline. In addition, the Fund's portfolio could become significantly concentrated in a limited number of issuers, types of financial instruments, industries, strategies, countries, or geographic regions, and any such concentration of risk may increase losses suffered by the Fund. This limited diversity could expose the Fund to losses disproportionate to market movements in general. Other investment funds pursue similar strategies, which creates the risk that many funds may be forced to liquidate positions at the same time, reducing liquidity, increasing volatility, and exacerbating losses. Although the Firm attempts to identify, monitor, and manage certain significant risks related to specific investments, these efforts do not take all risks into account, including systematic market risk, and there can be no assurance that these efforts will be effective. Many risk management techniques are based on observed historical market behavior, but future market behavior may be entirely different. Any inadequacy or failure in the Firm's risk management efforts could result in material losses for the Fund.

Investment in Small- and Medium-Capitalization Companies. The Fund may invest worldwide and may invest across all market capitalizations, including on small- and mid-capitalization issuers. Smaller capitalization stocks involve higher risks in some respects than do investments in stocks of larger companies. For example, prices of small-capitalization and even medium-capitalization stocks are often more volatile than prices of large-capitalization stocks, and the risk of bankruptcy or insolvency of many smaller companies (with the attendant losses to investors) is higher than for larger, "blue-chip" companies. In addition, due to thin trading in some small-capitalization stocks, an investment in those stocks may be highly illiquid. Some small companies have limited distribution channels and financial and managerial resources. Such companies may also be dependent on personnel (including key personnel) with limited experience.

Competition. The markets in which the Firm participates, as well as other markets and strategies in which the Firm may participate, are extremely competitive. There can be no assurance that the Firm will be able to identify or successfully pursue attractive investment opportunities in this environment. Investors should expect that the Fund's investments involve substantially more company-specific and market risk and associated volatility in the future than

the risk involved in such investment in the past, as arbitrage and similar opportunities are further reduced or eliminated. The Fund and the Firm compete with many firms, some of which may have substantially greater financial resources, more favorable financing arrangements, larger research staffs, and more securities traders than are available to the Fund and the Firm.

Less Liquid Instruments. The Fund generally expects to make investments in publicly-traded equity securities that are generally expected to be relatively liquid. However, the Fund may invest in the securities of companies with micro- and small-capitalizations, which may be thinly traded and otherwise illiquid. In addition, the Fund may from time to time hold large positions with respect to a specific type of instrument, which may reduce the Fund's liquidity. The Fund may be unable to timely dispose of certain assets, which would adversely affect the Fund's ability to rebalance its portfolio or to meet withdrawal requests. In addition, such circumstances may force the Fund to dispose of assets at reduced prices, thereby adversely affecting the Fund's performance. If there are other market participants seeking to dispose of similar assets at the same time, the Fund may be unable to sell such assets or prevent losses relating to such assets. Furthermore, if the Fund incurs substantial trading losses, the need for liquidity could rise sharply while its access to liquidity could be impaired. In conjunction with a market downturn, the Fund's counterparties could incur losses of their own, thereby weakening their financial condition and increasing the Fund's credit risk to them.

Default and Credit Risks. The Fund may invest in debt obligations of both government and corporate issuers. These financial instruments involve the risk that the obligor either cannot or will not fulfill its obligations under the terms of the financial instrument. The Fund also assumes the credit risk associated with its brokers, custodians, and other counterparties in connection with brokerage arrangements, derivatives, and other contractual relationships. In evaluating credit risk, the Fund and the Firm will often be dependent upon information provided by the obligor, which may be materially inaccurate or fraudulent. Any actual default, or any circumstance that increases the possibility of such a default, could have a material adverse effect on the Fund.

Interest Rate Risks. The Fund's borrowings will subject the Fund to risks associated with movements in interest rates. For example, the Fund will be required to manage both curve risk, which is the risk that the slope of the yield curve will vary from the slope assumed in the Fund's strategy, and credit spread risk, which is the risk that the spreads between yields of differently rated issuers will change in a manner that adversely affects the Fund's portfolio.

Risks of Realization on Investments. Given the nature of the investments made by the Fund, there is a significant risk that the Fund may be unable to realize its investment objectives by sale or other disposition of Fund investments at attractive prices or will otherwise be unable to complete a suitable exit strategy. In particular, these risks could arise from changes in the financial condition or prospects of the entity in which the investment is made, changes in national or international economic conditions, and changes in laws, regulations, fiscal policies, or political conditions. Furthermore, the types of investments made may require a substantial length of time to liquidate.

Short Sales. While the Fund generally maintains a long-biased portfolio, the Firm does engage in short selling and other hedging activities when the Firm believes certain securities to be overvalued. Short selling involves selling securities which may or may not be owned and

borrowing the same securities for delivery to the purchaser, with an obligation to replace the borrowed securities at a later date. Short selling allows the investor to profit from a decline in the price of a particular security to the extent that such decline exceeds the transaction costs and the costs of borrowing the securities. The extent to which the Fund engages in short sales will depend upon the Firm's investment strategy and opportunities. A short sale creates the risk of a theoretically unlimited loss, in that the price of the underlying security could theoretically increase without limit, thus increasing the cost to the Fund of buying those securities to cover the short position. There can be no assurance that the Fund will be able to maintain the ability to borrow securities sold short. In such cases, the Fund can be "bought in" (i.e., forced to repurchase securities in the open market to return to the lender). There also can be no assurance that the security necessary to cover a short position will be available for purchase at or near prices quoted in the market. Purchasing securities to close out the short position can itself cause the price of the securities to rise further, thereby exacerbating the loss.

Long/Short. The identification of investment opportunities in the implementation of the Fund's long/short investment strategies is a difficult task, and there are no assurances that such opportunities will be successfully recognized or acquired. In the event that the perceived opportunities underlying the Fund's positions were to fail to converge toward, or were to diverge further from, values expected by the Firm, the Fund may incur a loss. In the event of market disruptions, significant losses can be incurred which may force the Fund to close out one or more positions. Furthermore, the valuation models used to determine whether a position presents an attractive opportunity consistent with the Firm's long/short strategies may become outdated and inaccurate as market conditions change.

Investments in Distressed Issuers. The Fund might invest in equity securities of issuers in weak financial conditions, experiencing poor operating results, having substantial capital needs or negative net worth, or facing special competitive or product obsolescence problems. These securities are likely to be particularly risky investments although they also may offer the potential for high returns. Among the risks inherent in investments in troubled entities is the fact that it frequently may be difficult to obtain information as to the true condition of such issuers. Such investments may also be adversely affected by laws relating to, among other things, fraudulent transfers and other voidable transfers or payments, lender liability, and the bankruptcy court's power to disallow, reduce, subordinate or disenfranchise particular claims. Such companies' securities may be considered speculative, and the ability of such companies to pay their debts on schedule and otherwise continue to operate could be affected by adverse interest rate movements, changes in the general economic climate, economic factors affecting a particular industry, or specific developments within such companies. The level of analytical sophistication, both financial and legal, necessary for successful investment in companies experiencing significant business and financial difficulties is high, and there is no assurance that the Firm will analyze such investments correctly.

Fixed Income Securities. In addition to its investment in public equity securities, the Fund may invest in bonds or other fixed income securities of issuers including, without limitation, bonds, notes, and debentures issued by corporations, debt securities, and commercial paper. Fixed income securities pay fixed, variable, or floating rates of interest. The value of fixed income securities in which the Fund may invest will change in response to fluctuations in interest rates. In addition, the value of certain fixed income securities can fluctuate in response to perceptions of creditworthiness, political stability, or soundness of economic policies. Fixed

income securities are subject to the risk of the issuer's inability to meet principal and interest payments on its obligations (i.e., credit risk) and are subject to price volatility due to such factors as interest rate sensitivity, market perception of the creditworthiness of the issuer, and general market liquidity (i.e., market risk).

Convertible Securities. The Fund may invest in convertible securities. Convertible securities are bonds, debentures, notes, preferred stocks, or other securities that may be converted into or exchanged for a specified amount of common stock of the same or different issuer within a particular period of time at a specified price or formula.

The value of a convertible security is a function of its "investment value" (determined by its yield in comparison with the yields of other securities of comparable maturity and quality that do not have a conversion privilege) and its "conversion value" (the security's worth, at market value, if converted into the underlying common stock). The investment value of a convertible security is influenced by changes in interest rates, with investment value declining as interest rates increase and increasing as interest rates decline. The credit standing of the issuer and other factors may also have an effect on the convertible security's investment value. The conversion value of a convertible security is determined by the market price of the underlying common stock. If the conversion value is low relative to the investment value, the price of the convertible security is governed principally by its investment value. To the extent the market price of the underlying common stock approaches or exceeds the conversion price, the price of the convertible security will be increasingly influenced by its conversion value. A convertible security generally will sell at a premium over its conversion value by the extent to which investors place value on the right to acquire the underlying common stock while holding a fixed-income security. Generally, the amount of the premium decreases as the convertible security approaches maturity.

A convertible security may be subject to redemption at the option of the issuer at a price established in the convertible security's governing instrument. If a convertible security held by the Fund is called for redemption, the Fund will be required to permit the issuer to redeem the security, convert it into the underlying common stock, or sell it to a third party. Any of these actions could have an adverse effect on the Fund's ability to achieve its investment objective.

Investments in Undervalued Securities. Since long/short equity, long-biased and short-selling strategies generally involve identifying securities that are undervalued (and, in the case of short positions, overvalued) by the marketplace, the success of the strategy necessarily depends upon the market eventually recognizing such value in the price of the security, which may not necessarily occur or may occur over extended time frames that limit profitability. Positions may undergo significant short-term declines and experience considerable price volatility during these periods. In addition, long and short positions may or may not be correlated to each other. If the long and short positions are not correlated, it is possible to have investment losses in both the long and short sides of the Fund's portfolio. While investments in undervalued securities offer the opportunity for above-average capital appreciation, these investments involve a high degree of financial risk and can result in substantial losses. Returns generated from the Fund's investments may not adequately compensate for the business and financial risks assumed.

The Fund may make certain speculative investments in financial instruments that the Firm believes to be undervalued; however, there are no assurances that the financial instruments

purchased will in fact be undervalued. In addition, the Fund may be required to hold such financial instruments for a substantial period of time before realizing their anticipated value. During this period, a portion of the Fund's capital would be committed to the financial instruments purchased, thus possibly preventing the Fund from investing in other opportunities. In addition, the Fund may finance such purchases with borrowed funds and thus will have to pay interest on such funds during such waiting period.

Equity Risks. The market price of securities owned by the Fund may go up or down, sometimes rapidly or unpredictably. A risk of investing in the Fund is that the equity securities in its portfolio will decline in value due to factors affecting equity securities markets generally or the sectors in which the Fund invests. The values of equity securities may decline due to general market conditions which are not specifically related to a particular company, such as real or perceived adverse economic conditions, changes in the general outlook for corporate earnings, changes in interest or currency rates, or adverse investor sentiment generally. They may also decline due to factors which affect a particular industry or industries, such as labor shortages or increased production costs and competitive conditions within an industry. Other risks of investing globally in equity securities may include changes in currency exchange rates, exchange control regulations, expropriation of assets or nationalization, imposition of withholding taxes on dividend or interest payments, and difficulty in obtaining and enforcing judgments against non-U.S. entities. In addition, securities which the Firm believes are fundamentally undervalued or incorrectly valued may not ultimately be valued in the capital markets at prices and/or within the time frame the Firm anticipates. As a result, the Fund may lose all or substantially all of its investment in any particular instance.

Highly Volatile Markets. The prices of financial instruments in which the Fund may invest can be highly volatile. Price movements of the financial instruments in which the Fund's assets may be invested are influenced by, among other things, interest rates, changing supply and demand relationships, trade, fiscal, monetary and exchange control programs and policies of governments, and national and international political and economic events and policies. The Fund is subject to the risk of failure of any of the Exchanges on which its positions trade or of its clearinghouses. In addition, governments from time to time intervene in certain markets, directly by regulation and otherwise, particularly in currencies, futures, and options. Such intervention is often intended to directly influence prices and may, together with other factors, cause some or all of these markets to move rapidly in the same direction. The effect of such intervention is often heightened by a group of governments acting in concert.

Loans of Portfolio Securities. The Fund may lend its portfolio securities. By doing so, the Fund attempts to increase income through the receipt of interest on the loan. While a securities loan is outstanding, the Fund will continue to receive the equivalent of the interest or dividends paid by the issuer on the securities, as well as interest on the investment of the collateral or a fee from the borrower. The risks in lending securities, as with other extensions of secured credit, if any, consist of possible delay in receiving additional collateral, if any, or in recovery of the securities or possible loss of rights in the collateral, if any, should the borrower fail financially. To the extent that the value of the securities the Fund lent increases, the Fund could experience a loss if such securities are not recovered.

Relative Value and Directional Movements. The Fund's investment strategy depends upon the Firm's ability to accurately predict future price movements or the convergence of

market prices toward the theoretical values expected by the Firm. Any such attempt to predict future price movements is inherently risky and inaccurate. Often, price movements are determined by factors that were not anticipated by the Firm and over which the Firm has no control, and the Firm's analysis of known factors may prove to be incorrect, in each case potentially resulting in substantial losses for the Fund.

Non-U.S. Investments. The Fund may invest in financial instruments of non-U.S. corporations and governments. Investing in the financial instruments of companies (and, from time to time, governments) outside of the United States involves certain considerations not usually associated with investing in financial instruments of U.S. companies or the U.S. government, including political and economic considerations, such as greater risks of expropriation, nationalization, confiscatory taxation, imposition of withholding or other taxes on interest, dividends, capital gains or other income, limitations on the removal of assets, and general social, political, and economic instability; the relatively small size of the securities markets in such countries and the low volume of trading, resulting in potential lack of liquidity and in price volatility; the evolving and unsophisticated laws and regulations applicable to the securities and financial services industries of certain countries; fluctuations in the rate of exchange between currencies and costs associated with currency conversion; and certain government policies that may restrict the Fund's investment opportunities. In addition, accounting and financial reporting standards that prevail outside of the U.S. generally are not as high as U.S. standards and, consequently, less information is typically available concerning companies located outside of the U.S. than for those located in the U.S. As a result, the Fund may be unable to structure its transactions to achieve the intended results or to mitigate all risks associated with such markets. It may also be difficult to enforce the Fund's rights in such markets. For example, financial instruments traded on non-U.S. exchanges and the non-U.S. persons that trade these instruments are not subject to the jurisdiction of the SEC or the securities and commodities laws and regulations of the U.S. Accordingly, the protections accorded to the Fund under such laws and regulations are unavailable for transactions on foreign exchanges and with foreign counterparties.

Portfolio Turnover. The Fund is not restricted in effecting transactions by any specific limitations with regard to their portfolio turnover rate. Although not anticipated, the Fund's investment policies might result in substantial portfolio turnover. Investments may be sold for a variety of reasons, such as a more favorable investment opportunity or other circumstances bearing on the desirability of a continued position in such investments.

Illiquid Investments. It is possible that some investments held by the Fund may not be able to be sold except pursuant to a registration statement filed under the Securities Act or in accordance with Rule 144 or another exemption under the Securities Act. Furthermore, because of the speculative and non-public nature of some investments, the Firm may, from time to time, sell or otherwise dispose of investments that later prove to be more valuable than anticipated at the time of such disposition. Any premature sales or dispositions may prevent the Fund from realizing as great an overall return on investment as may have been realized if such sales or dispositions had been made at a later date, which may adversely affect investment results of the Limited Partners.

Certain securities may be difficult or impossible to sell at the time and price that the Fund desires. The Fund may have to lower the price, sell other securities instead, or forego an

investment opportunity, any of which could have a negative effect on the performance of the Fund. In addition, there may be severe limitations on the Fund's ability to sell certain securities at any price during a period of reduced credit market liquidity.

In addition, the Firm has broad authority to designate investments in the Fund as "Special Investments." Special Investments are held for the benefit of Limited Partners who were invested in the Fund when the Special Investment was acquired or designated as a Special Investment. This may have the effect of isolating the gain or loss from such investment to a smaller group of Limited Partners than if the investment was not held as a Special Investment. Special Investments are also not subject to the normal withdrawal rights of the Fund and may affect a Limited Partner's ability to withdraw its investment. There are no limits on the portion of the Fund's assets that may be held as Special Investments.

Hedging Transactions. The Fund may utilize financial instruments, both for investment purposes and for risk management purposes in order to: (i) protect against possible changes in the market value of the Fund's investment portfolio resulting from fluctuations in the securities markets and changes in interest rates; (ii) protect the Fund's unrealized gains in the value of the Fund's investment portfolio; (iii) facilitate the sale of any such investments; (iv) enhance or preserve returns, spreads, or gains on any investment in the Fund's portfolio; (v) hedge against a directional trade; (vi) hedge the interest rate or currency exchange rate on any of the Fund's liabilities or assets; (vii) protect against any increase in the price of any securities the Fund anticipates purchasing at a later date; or (viii) for any other reason that the Firm deems appropriate.

The success of the Fund's hedging strategy depends, in part, upon the Firm's ability to correctly assess the degree of correlation between the performance of the instruments used in the hedging strategy and the performance of the portfolio investments being hedged. Since the characteristics of many securities change as markets change or time passes, the success of the Fund's hedging strategy is also subject to the Firm's ability to continually recalculate, readjust, and execute hedges in an efficient and timely manner. While the Fund may enter into hedging transactions to seek to reduce risk, such transactions may result in a poorer overall performance for the Fund than if it had not engaged in such hedging transactions. For a variety of reasons, the Firm may not seek to establish a perfect correlation between the hedging instruments utilized and the portfolio holdings being hedged. Such an imperfect correlation may prevent the Fund from achieving the intended hedge or expose the Fund to risk of loss. The Fund is not required to hedge any particular risk in connection with a particular transaction or its portfolios generally. Moreover, it should be noted that the portfolio will always be exposed to certain risks that may not be hedged. The successful utilization of hedging and risk management transactions requires skills complementary to those needed in the selection of the Fund's portfolio holdings.

Call Options. In certain circumstances, the Fund may trade in call options. There are significant risks associated with the sale and purchase of call options. A call option is a financial contract that gives the buyer of the contract the right, but not the obligation, to buy a security or other financial instrument from the seller (or "writer") at a specified price within a specified time period. The buyer pays a non-refundable premium to the seller for the right to exercise the call option. The seller (writer) of a call option which is covered (e.g., the writer holds the underlying security) assumes the risk of a decline in the market price of the underlying security below the purchase price of the underlying security less the premium received, and gives up the

opportunity for gain on the underlying security above the exercise price of the option. The seller of an uncovered call option assumes the risk of a theoretically unlimited increase in the market price of the underlying security above the exercise price of the option. The securities necessary to satisfy the exercise of an uncovered call option may be unavailable for purchase, except at much higher prices, thereby reducing or eliminating the value of the premium. Purchasing securities to cover the exercise of an uncovered call option can cause the price of the securities to increase, thereby exacerbating the loss. The buyer of a call option assumes the risk of losing its entire premium investment in the call option.

Put Options. There are risks associated with the sale and purchase of put options. The seller (writer) of a put option which is covered (e.g., the writer has a short position in the underlying security) assumes the risk of an increase in the market price of the underlying security above the sales price (in establishing the short position) of the underlying security plus the premium received, and gives up the opportunity for gain on the underlying security if the market price falls below the exercise price of the option. The seller of an uncovered put option assumes the risk of a decline in the market price of the underlying security below the exercise price of the option. The buyer of a put option assumes the risk of losing its entire investment in the put option.

Index Contracts. The Fund also may invest in customized instruments to seek to hedge against the risk of changes in the level of prices of broad market averages or indices, as well as narrower indices or baskets of securities, foreign currencies, or commodity prices. These hedging strategies may be executed by the Firm through the use of exchange-traded equity index options, standardized or individually negotiated over-the-counter contracts, or other forms of derivative contracts (collectively, “Index Contracts”) structured by investment banking institutions.

There are substantial risks associated with Index Contracts, including possible default by the counterparty to the transaction, illiquidity, and, to the extent the Firm’s view as to certain market movements is incorrect, the risk that the use of such Index Contracts could result in losses greater than if they had not been used. Moreover, any lack of correlation between price movements of Index Contracts and price movements in the position of the Fund may create the possibility that losses in the value of the Fund’s position may be greater than the gain on the hedging instrument (or that a gain in the Fund’s position may be less than the loss on the hedging instrument). In addition, options markets may not be liquid in all circumstances and certain over-the-counter Index Contracts may have no markets. As a result, in certain markets, the Fund might not be able to close a transaction without incurring substantial losses, if at all. Any such result may have a material adverse effect on the Fund.

Other Derivative Instruments. The Fund may take advantage of opportunities with respect to certain other derivative instruments that are not presently contemplated for use or that are currently not available, but that may be developed, to the extent such opportunities are both consistent with the investment objective of the Fund and legally permissible. Special risks may apply to instruments that are invested in by the Fund in the future that cannot be determined at such time that instruments are developed or invested in by the Fund. Certain options and other derivative instruments may be subject to various types of risks, including market risk, liquidity risk, the risk of non-performance by the counterparty (including risks relating to the financial soundness and creditworthiness of the counterparty), legal risk, and operations risk.

Leverage and Liquidity Risks. The Fund intends to borrow funds and will do so when deemed appropriate by the Firm, which may result in significant and/or high levels of leverage. The Fund may borrow funds from brokers, banks, and other lenders to finance its investing and trading operations, which borrowings may be secured by assets of the Fund. The use of such leverage can, in certain circumstances, maximize the losses to which the Fund's investment portfolio may be subject. Any event that adversely affects the value of an investment would be magnified to the extent that a particular asset or the Fund as a whole is leveraged. The cumulative effect of the use of leverage by the Fund in a market that moves adversely to the Fund's investments could result in a substantial loss to the Fund, which would be greater than if the Fund was not leveraged. Leverage may be achieved through, among other methods, direct borrowing and purchases of securities on margin and the use of options, repurchase, and reverse repurchase agreements. The access to capital could be impaired by many factors, including market forces or regulatory changes.

The use of margin and short-term borrowings will create several risks for the Fund. If the value of the Fund's securities falls below the margin level required by a prime broker, additional margin deposits would be required. If the Fund is unable to satisfy any margin call by a prime broker, then the prime broker could liquidate the Fund's position in some or all of the financial instruments that are in the Fund's accounts at the prime broker and cause the Fund to incur significant losses. Furthermore, secured counterparties and lenders may have the right to sell, pledge, rehypothecate, assign, use, or otherwise dispose of collateral posted by the Fund. This could increase exposure to the risk of a counterparty default since, under such circumstances, the Fund may be unable to recover the posted collateral promptly or may be unable to recover all of the posted collateral. The occurrence of defaults may trigger cross-defaults under the Fund's agreements with other brokers, lenders, clearing firms, or other counterparties, creating or increasing a material adverse effect on the performance of the Fund.

The purchase of options, repurchase agreements, and reverse repurchase agreements generally involves little or no margin deposit and, therefore, will provide substantial leverage. Accordingly, relatively small price movements in these financial instruments may result in immediate and substantial losses to the Fund. In addition, the Fund will have unlimited discretion to use derivative instruments, which generally provide the economic equivalent of leverage by magnifying the potential gain or loss from an investment.

Counterparty Risks. The Fund has established relationships to obtain financing, engage in derivative transactions, and obtain prime brokerage services and other services, all of which permit the Fund to trade in any variety of markets or asset classes over time; however, there can be no assurance that the Fund will be able to maintain such relationships or establish such relationships in the future. An inability to establish or maintain such relationships would limit the Fund's trading activities and could create losses, preclude the Fund from engaging in certain transactions, financing, derivative intermediation, and prime brokerage services, and prevent the Fund from trading at optimal rates and terms. Moreover, a disruption in the financing, derivative, and prime brokerage services provided by any such relationships before the Fund establishes additional relationships could have a significant impact on the Fund's business due to the Fund's reliance on such counterparties.

Some of the markets in which the Fund may affect its transactions are "over-the-counter" or "interdealer" markets. The participants in such markets are typically not subject to credit

evaluation and regulatory oversight as are members of “exchange-based” markets. This exposes the Fund to the risk that a counterparty will not settle a transaction due to a credit or liquidity problem, thus causing the Fund to suffer a loss. In addition, in the case of a default, the Fund could become subject to adverse market movements while replacement transactions are executed. Such “counterparty risk” is accentuated for contracts with longer maturities where events may intervene to prevent settlement or where the Fund has concentrated its transactions with a single counterparty or small group of counterparties.

Furthermore, there is a risk that any of the Fund’s counterparties could become insolvent and/or the subject of insolvency proceedings. If one or more of the Fund’s counterparties were to become insolvent or the subject of insolvency proceedings, there exists the risk that the recovery of the Fund’s securities and other assets from the Fund’s prime brokers or broker-dealers will be delayed or be of a value less than the value of the securities or assets originally entrusted to such prime broker or broker-dealer.

The Fund may use counterparties located in jurisdictions outside the United States. Such counterparties are subject to the laws and regulations in non-U.S. jurisdictions that are designed to protect their customers in the event of their insolvency. However, the practical effect of these laws and their application to the Fund’s assets are subject to substantial limitations and uncertainties. Because of the large number of entities and jurisdictions involved, and the range of possible factual scenarios involving the insolvency of a counterparty, it is impossible to generalize about the effect of their insolvency on the Fund and its assets.

The Fund is not restricted from dealing with any particular counterparty or from concentrating any or all of its transactions with one counterparty. Moreover, the Firm’s internal process for evaluating the creditworthiness of its counterparties may prove insufficient. The ability of the Fund to transact business with any one or more counterparties, the lack of complete and “foolproof” evaluation of the financial capabilities of the Fund’s counterparties, and the absence of a regulated market to facilitate settlement may increase the potential for losses by the Fund.

Item 9: Disciplinary Information

There are no material legal or disciplinary events related to the Firm.

Item 10: Other Financial Industry Activities and Affiliations

ADW and its management persons are not registered and do not have any application pending to register as a broker-dealer, a registered representative of a broker-dealer, a futures commission merchant, a commodity pool operator, a commodity trading advisor, or an associate of the foregoing entities.

ADW acts as investment manager and General Partner of the Fund.

Not Applicable. ADW does not recommend or select other investment advisers for its Advisory Clients.

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

ADW has adopted a Code of Ethics (“**Code**”) under Rule 204A-1 of the Investment Advisers Act of 1940, as amended (“**Advisers Act**”) designed to provide that ADW employees comply with applicable federal securities laws. The Code addresses, among other things, ADW’s standard of business conduct, requirements and restrictions relating to personal securities trading, policy regarding political contributions, policy regarding gifts and entertainment, and policy regarding confidentiality. ADW employees must acknowledge, both initially upon employment and annually thereafter, in writing, having received and read a copy of the Code.

The Code requires all employees to report personal securities holdings (initially and annually) and certify quarterly as to personal trading activity. The Code places certain limitations on securities transactions of employees. The Code is monitored by ADW’s CCO and any exceptions to the Code need prior approval by ADW’s CCO.

A copy of the Firm’s Code is available to clients, Limited Partners, and prospective clients upon their individual request.

ADW, as a fiduciary, endeavors to always make decisions in the best interest of its clients if a conflict of interest arises between the Firm’s securities transactions on behalf of its clients and those of the Firm’s personnel and related persons. In order to monitor any conflict of interest, ADW’s CCO reviews each employee’s personal transaction to verify compliance with the Code.

Item 12: Brokerage Practices

Portfolio transactions are executed by brokers selected by the Manager on behalf of the Fund. ADW retains full discretion to determine the broker or dealer to be used for each securities transaction for client accounts. The Firm seeks to obtain best execution for its clients by placing orders for the purchase and sale of securities with brokers and dealers taking into account factors including, but not limited to, the broker's reliability, reputation, financial responsibility, stability, ability to execute trades, nature and frequency of sales coverage, commission rate, if any, and responsiveness.

ADW does not currently engage in the use of soft dollars (third-party or proprietary).

Not applicable. ADW does not participate in selecting or recommending broker-dealers in exchange for client referrals.

Not applicable. ADW does not permit its clients to provide a directed brokerage instruction and does not recommend, request, or require clients to execute transactions through specified broker-dealers.

Currently, ADW manages one Fund and, therefore, an aggregation and allocation policy is not applicable at this time. Should ADW manage more than one Advisory Client, the Firm will implement the following policy outlined herein. When purchasing securities for more than one of its Advisory Clients (i.e. bunching orders), to purchase the quantity of such securities necessary to supply all Advisory Clients, allocation of a trade is made based on the NAV of each Advisory Client at the beginning of each month.

Item 13: Review of Accounts

The Managing Member will review the portfolio assets in the Funds and the values of the securities held by the Funds on an ongoing basis.

Client holdings are reviewed on a regular basis to determine their conformity with their risk parameters, investment objectives, and guidelines. ADW continuously monitors the portfolio investments of the Fund in order to satisfy its fiduciary obligation to evaluate its investment program and portfolio in accordance with set guidelines. ADW's investment personnel convene regularly to evaluate each position's conformance with the relevant Fund's offering memorandum and any investment limitations, restrictions, or risk parameters.

Limited Partners will each will receive written unaudited reports of the performance of the Fund in which they are an investor on a quarterly basis and written audited year-end financial statements (prepared using U.S. Generally Accepted Accounting Principles ("GAAP")) on an annual basis within 120 days after the fiscal year end of such Fund.

Item 14: Client Referrals and Other Compensation

The Firm (pursuant to the requirements of Advisers Act Rule 206(4)-3) may not make referral payments to a third-party marketer or solicitor, unless the fees are paid pursuant to a written agreement. The Firm currently does not retain any third-party solicitors, however, should a third-party solicitor be engaged, the Firm has policies and procedures in place to mitigate any risks that are involved in such an agreement and to confirm that the Firm is in compliance with Advisers Act Rule 206 (4)-3.

Item 15: Custody

As a registered investment adviser, ADW may be deemed to have custody of client assets due to the Firm's ability to deduct fees, even though indirectly through the Administrator, from client accounts. Therefore, ADW is subject to Rule 206(4)-2 under the Adviser's Act.

To confirm compliance with Rule 206(4)-2 under the Advisers Act, all Funds must be audited annually and must distribute their audited financial statements to their investors within 120 days after the end of the fiscal year. The Fund is audited annually by an independent certified public accounting firm that is both registered with, and subject to regular inspection by, the Public Companies Accounting Oversight Board. Financial statements of the Fund are prepared in accordance with GAAP.

In addition, each investor in the respective Fund receives written quarterly statements from the Fund's Administrator with respect to the activities of the relevant Fund.

Item 16: Investment Discretion

ADW has full discretion to manage assets on behalf of the Fund. This authority is granted in accordance with an investment management agreement (“IMA”) between the Fund and the Firm. Individual Limited Partners grant authority to the Fund to enter into an IMA with ADW by signing a subscription agreement and accepting the terms of the LPA for the Fund.

Item 17: Voting Client Securities

While ADW has authority to vote proxies, the Firm has determined not to exercise voting authority over Fund proxies. ADW may determine under certain circumstances that it is in the best interest of the Fund to vote certain proxies and may in those instances vote client proxies. If ADW determines that special circumstances exist under which it would be in the Fund's best interest to vote a specific proxy, ADW will retain as part of its books and records a copy of the proxy, the vote instructed on behalf of the Fund, a description of the special circumstances for which ADW is voting the proxy, and any other books and records as may be required for an investment adviser registered with the SEC under the Adviser's Act. Prior to voting any proxies, the CCO will determine if there are any conflicts of interest related to the proxy in question. If a conflict is identified, the CCO will make a determination, which may be in consultation with external parties, as to whether the conflict is material or not. If no material conflict is identified, the Managing Member will make a decision on how to vote the proxy in question in accordance with the guidelines put forth briefly in the following paragraph. All inquiries regarding ADW's proxy voting policy should be directed to the CCO.

Clients may obtain information regarding how ADW voted its securities by requesting records of the CCO, who is responsible for retaining all records relating to proxy voting. Additionally, clients may obtain a copy of the Firm's Proxy Voting Policies and Procedures, which are included in the Firm's Compliance Manual, upon request of the CCO.

Not Applicable; see response to Item 17.A. ADW has authority to vote client securities.

Item 18: Financial Information

Not Applicable. ADW does not require nor solicit pre-payment of more than \$1,200 in fees per client, six months or more in advance.

ADW is not aware of any financial condition that is reasonably likely to impact its ability to meet its contractual commitments to clients.

Not Applicable. ADW has not been the subject of a bankruptcy petition at any time during the past ten years.