Form ADV Part 2A: Firm Brochure

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This brochure provides information about the qualifications and business practices of Venator Management LLC. If you have any questions about the contents of this brochure, please contact us at 412-586-3749. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority.

Additional information about Venator Management LLC also is available on the Securities and Exchange Commission's website at https://www.adviserinfo.sec.gov.

Venator Management LLC is a registered investment advisor with the Securities and Exchange Commission. Our registration as a registered investment advisor does not imply a certain level of skill or training.

Item 2. Material Changes

The following is a concise summary of material changes to the Venator Management LLC ("Venator") Form ADV Part 2 since the initial brochure dated August 2020.

Venator was in the process of establishing its separately managed account business and had $0 in regulatory assets under management attributable to separately managed accounts as-of August 2020. Venator began managing separately managed accounts effective October 1st, 2020. As-of December 31st, 2020, Venator has $207.4 million in regulatory assets under management attributable to 79 separately managed accounts.

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Item 4. Advisory Business

Venator Management LLC, a Pennsylvania limited liability company ("Venator"), was established in Canonsburg, PA in 2013 to serve as the investment manager for Venator Capital Partners LP (the "Hedge Fund"). Venator became a registered investment advisor with the Securities and Exchange Commission in August 2020. In addition to the Hedge Fund, Venator began serving as the investment manager to long-only separately managed accounts in October 2020 on behalf of individuals, pension and profit sharing plans, trusts, foundations and endowments. Constantine W. Mamakos is the principal owner of, and controls, Venator.

Venator adheres to an opportunistic, value-oriented discipline with regard to the management of all of its client accounts. Venator believes independent thought, price discipline and rigorous risk-reward analysis are essential components of investment success. The investment advisory services provided to all clients include portfolio management, investment research, trading, proxy voting and client service. Venator's clients grant Venator limited power of attorney providing Venator the authority to buy, sell or otherwise effect security transactions in the client's name, at Venator's discretion and without prior consultation with the client. Venator will only manage client accounts on a discretionary basis.

The general partner of the Hedge Fund is Venator GP LP, a Pennsylvania limited partnership (the "Hedge Fund GP"). The general partner of the Hedge Fund GP is Venator LLC, a Pennsylvania limited liability company. Constantine W. Mamakos controls Venator LLC. The investment program of the Hedge Fund is an opportunistic and value-oriented strategy consisting of a concentrated portfolio of both long and short publicly-traded equity securities and options thereon, as well as through opportunistic investments in credit, restricted and private securities.

The investment program of all of Venator's separately managed accounts will be its Multi Cap Value Strategy, which is an opportunistic and value-oriented strategy which is not oriented towards a particular market capitalization and may include micro, small, mid and large cap public securities. Upon written request, Venator will tailor its advisory services with a separately managed account to meet the needs of the client by adjusting the percentage of capital allocated to equity investments thereby increasing or reducing the client's market exposure. Additionally, with Venator's agreement, separately managed account clients may impose restrictions on investing in certain companies or industries.

As of December 31st, 2020, Venator has $140 million in regulatory assets under management attributable to the Hedge Fund, which is managed on a discretionary basis. Venator has $207.4 million in regulatory assets under management attributable to 79 separately managed accounts. All separately managed accounts are managed on a discretionary basis. In aggregate, between the Hedge Fund and the separately managed accounts, Venator has $347.4 million in regulatory assets under management.

Item 5. Fees and Compensation

Separately Managed Accounts: Management Fees

Venator charges each separately managed account a management fee which is calculated and payable quarterly in advance at the beginning of each calendar quarter. Management fees for separately managed accounts are calculated at the applicable rate set forth below, based on the market value of the client's separately managed account at the close of business on the last business day of the prior calendar quarter. Separately managed account clients have the option of having the applicable quarterly management fee deducted from their separately managed account or billed and paid outside of their separately managed account.

The management fees for separately managed accounts may be negotiated with Venator under certain circumstances and at the sole discretion of Venator. Management fees for separately managed accounts paid in advance will be refunded on a pro rata basis upon termination of the investment advisory contract prior to the end of a quarter.

Annual Management Fee Schedule for Separately Managed Accounts

Market Value	Annual Fee Rate
Less than $2.5 million	1.00%
From $2.5 million to less than $10 million	0.75%
From $10 million to less than $25 million	0.65%
Greater than $25 million	0.50%

Separately Managed Accounts: Other Fees and Expenses

The quarterly management fees discussed above are in addition to, and do not include, any fees, costs, commissions or expenses related to their account including, but not limited to, brokerage, custodial, prime brokerage, wire and other transactional and maintenance costs of the account. Any such fees, costs, commissions or expenses related to the account shall be incurred by the account; provided, that Venator shall not cause the account to incur any costs outside of the normal course of business without the prior written consent of the client. These charges are generated and collected by the client custodians and/or trade executing broker-dealers and are not shared in any way with Venator Management. For additional information regarding brokerage practices please refer to *Item 12 Brokerage Practices* in this brochure.

Hedge Fund: Management Fee and Performance Allocation

For its services to the Hedge Fund, Venator is entitled to management fees at an annual rate of 1% of each Hedge Fund limited partner's capital account balance, calculated and paid each calendar quarter in advance. Capital contributions from Hedge Fund limited partners accepted by the Hedge Fund after the commencement of a calendar quarter will be subject to a prorated management fee. Venator may reduce or eliminate the Hedge Fund management fee with respect to any Hedge Fund limited partner in its sole discretion.

A portion of the Management Fee by the Hedge Fund is paid to a certain founding limited partner of the Hedge Fund that provided the initial seed capital for the Hedge Fund (the "Seed Investor") in consideration of its seed investment.

The Hedge Fund GP is entitled to a performance allocation at the end of each calendar year (the "Hedge Fund Performance Allocation"), which is calculated and charged separately with respect to each Hedge Fund limited partner, equal to 15% of net profits, subject to a perpetual "high water mark." The Hedge Fund Performance Allocation with respect to any Hedge Fund limited partner may be waived or reduced by the Hedge Fund GP in its sole discretion.

A portion of the Hedge Fund Performance Allocation due to the Hedge Fund GP is allocated to the capital account of the Seed Investor in consideration of its seed investment.

Hedge Fund: Investment and Operational Expenses

The Hedge Fund bears all costs and expenses directly related to its investment program including expenses related to proxies, underwriting and private placements, brokerage commissions, interest on debt balances or borrowings, custody fees, travel fees and expenses related to the Hedge Fund's offering and any withholding or transfer taxes imposed on the Hedge Fund. The Hedge Fund also bears all out-of-pocket costs of the administration of the fund, including accounting, audit and legal expenses, costs of any litigation or investigation involving the fund's activities, the costs, fees and expenses of any appraisers, accountants, or other experts engaged by the General Partner as well as expenses directly related to the Hedge Fund's investments, and costs associated with reporting and providing information to existing and prospective Limited Partners. However, the General Partner may, in its sole discretion, choose to absorb any such expenses incurred on behalf of the Hedge Fund. The Hedge Fund does not have its own separate employees or office and it does not reimburse the General Partner or Investment Manager for salaries, office rent and other general overhead costs of the General Partner or Investment Manager.

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

As noted previously in Item 5 Fees and Compensation, the Hedge Fund GP is entitled to the Hedge Fund Performance Allocation from the capital account of each Hedge Fund limited partner. These performance based allocations are based on the realized and unrealized gains of the Hedge Fund portfolio on an annual basis. Venator does not charge a performance based fee or allocation with respect to any of the separately managed accounts.

Constantine W. Mamakos is the portfolio manager of the Hedge Fund. Constantine W. Mamakos and David R. Fallgren are the portfolio managers of the separately managed accounts. Constantine W. Mamakos and David R. Fallgren, in such capacity as portfolio managers are together referred to herein as the "Portfolio Managers." Since Constantine W. Mamakos controls Venator and manages the Hedge Fund portfolio and co-manages the separately managed account portfolios, there does exist a potential conflict of interest for Venator to favor the Hedge Fund, with its management fee and Hedge Fund Performance Allocation, over the separately managed accounts, with their management fees. To address this potential conflict of interest,

Venator adheres to policies and procedures regarding allocation among investment advisory clients. These policies and procedures have been developed with the objective of achieving reasonably fair and equitable trade allocation among all of Venator's clients. The policies and procedures are described in detail with *Item 12 Brokerage Practices* in this brochure.

Item 7. Types of Clients

Venator's clients consist of the Hedge Fund and separately managed account clients.

Hedge Fund limited partners must be accredited investors and an investment in the Hedge Fund requires the completion of a subscription agreement from accredited investors, a minimum investment of $500,000 and the acceptance into the Hedge Fund by the General Partner. The minimum investment is subject to negotiation.

Venator's separately managed account clients include individuals, pension and profit sharing plans, trusts, foundations and endowments. Venator requires a minimum investment of $250,000 to open a separately managed account. The minimum investment is subject to negotiation.

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

Venator's research is the application of fundamental analysis. Venator's value-oriented approach is to purchase securities at prices that aim to build in a margin of safety. Securities are evaluated as if the investor is purchasing the entire company.

Venator's initial screening involves quantitative models, analyzing information from financial publications, electronic databases, chart services, trade publications, sell-side research and a variety of other sources to identify investment candidates worthy of further analysis. Once these investment ideas are identified, additional research is conducted using available company filings with the Securities and Exchange Commission, earnings conference calls, company presentations, competitor reviews and possible calls with company management.

Purchases will occur for Venator's client accounts that are both long-term (securities held for at least one year) and short-term (securities held for less than one year). While frequent trading of securities is not a primary investment strategy, increased brokerage, transaction and tax costs associated with frequent trading of securities may negatively affect a client's portfolio performance. Although all investments involve risk, including the potential loss of principal, some securities, such as equities, involve more risks than other securities. Higher-risk investments have the potential for higher returns, but also for greater losses.

Venator's strategy for the separately managed accounts is long-term oriented. Venator intends for separately managed accounts investments to be concentrated in what Venator believes to be the best ideas with a typical long portfolio holding 10 to 20 public securities positions.

Venator's strategy for the Hedge Fund is both long-term oriented and short-term oriented.

Venator believes an ideal long portfolio for the Hedge Fund would consist of 8 to 15 public or private securities positions. Venator believes there is no ideal short portfolio, but that smaller position sizes are important for the Hedge Fund's risk management. Depending upon market conditions, Venator expects that the Hedge Fund's portfolio may be, at any given time, substantially net long or substantially net short.

Clients should be prepared to bear losses resulting from the following types of investments and investment strategies:

General Investment Risks. All investments risk the loss of capital. No guarantee or representation is made that Venator's program will be successful and clients bear the risk of loss of their entire investment. Investment results may vary substantially over time.

Equity Securities. The value of equity securities fluctuates in response to numerous variables, including, but not limited to, issuer, political, market, and economic developments. Fluctuations can be dramatic over the short as well as long-term, 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, economic or pandemic 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 as a whole. Terrorism and related geo-political risks have led, and may in the future lead, to increased volatility and may have adverse long- term effects on world economies and markets generally.

Fixed-Income and Debt Securities. Investment in fixed-income and debt securities such as bonds, notes and asset-backed securities, subject a client's portfolios to the risk that the value of these securities overall will decline because of rising interest rates. Similarly, portfolios that hold such securities are subject to the risk that the portfolio's income will decline because of falling interest rates. Investments in these types of securities will also be subject to the credit risk created when a debt issuer fails to pay interest and principal in a timely manner, or that negative perceptions of the issuer's ability to make such payments will cause the price of that security to decline. Lastly, investments in debt securities will also subject the investments to the risk that the securities may fluctuate more in price and are less liquid than higher-rated securities because issuers of such lower-rated debt securities are not usually as strong financially, and are more likely to encounter financial difficulties and be more vulnerable to adverse changes in the economy.

Foreign Securities. Investing in securities of foreign companies generally denominated in foreign currencies involve certain considerations comprising risks not typically associated with investing in securities of United States issuers. These considerations include changes in exchange rates and exchange control regulations, political and social instability, expropriation, imposition of foreign taxes, less liquid markets and less available information than is generally the case in the United States, higher transaction costs, less government supervision of exchanges, brokers and issuers, difficulty in enforcing contractual obligations, lack of uniform accounting and auditing standards and greater price volatility.

Illiquid Instruments. Certain instruments may have no readily available market or third-

party pricing. Reduced liquidity may have an adverse impact on market price and Venator'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 Venator to obtain market quotations based on actual trades for the purpose of valuing a portfolio.

Issuer-Specific Changes. Changes in the financial condition of an issuer or counterparty, changes in specific economic or political conditions that affect a particular type of 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.

Diversification. Since a client's long portfolio will be concentrated in 10 to 20 investments, the portfolio of the client may be subject to more rapid changes in value than would be the case if Venator were required to maintain a wide diversification among companies, securities and types of securities. This limited diversity could expose a client's account to losses disproportionate to market movements in general if there are disproportionately greater adverse price movements in the client's investments. In addition, the losses could increase even further if the investments cannot be liquidated without adverse market reaction or are otherwise adversely affected by changes in market conditions or circumstances.

Investment Judgment; Market Risk. The profitability of a significant portion of Venator's investment program greatly depends upon correctly assessing the future course of price movements in securities and other investments. There can be no assurance that Venator will be able to accurately predict these price movements. Regarding the investment strategy utilized by Venator, there is always some, and occasionally a significant, degree of market risk. Changing market and economic conditions may lead to investor losses.

Reliance on Third Party Research. Venator may rely on research provided by unaffiliated third parties. Venator cannot and does not independently verify the accuracy of or the assumptions or calculations underlying any research provided by third parties.

Interest Rate Fluctuations. The prices of portfolio investments tend to be sensitive to interest rate fluctuations and unexpected fluctuations in interest rates could cause the corresponding price of a position to move in directions which were not initially anticipated.

Conflicts of Interest with Affiliates. For a discussion of risks that might arise from conflicts of interest involving affiliates, please see Item 10 below.

Item 9. Disciplinary Information

Registered investment advisers such as Venator are required to disclose all material facts regarding any legal or disciplinary events that would be material to a prospective client's evaluation of Venator or the integrity of its management. Venator does not have any such legal or disciplinary events in its history and therefore has no information to disclose with respect to Item 9.

Item 10. Other Financial Industry Activities and Affiliations

The general partner of Venator Capital Partners LP is Venator GP LP, a Pennsylvania limited partnership. The general partner of the General Partner is Venator LLC, a Pennsylvania limited liability company. Venator LLC is controlled by Constantine W. Mamakos. Venator Management LLC, a Pennsylvania limited liability company, serves as investment manager to the Hedge Fund and separately managed accounts and will manage the investment activities of the Hedge Fund and the separately managed accounts. Venator Management LLC is controlled by Constantine W. Mamakos.

Constantine W. Mamakos is the Manager, Portfolio Manager and Analyst of Venator. He also serves as a Portfolio Manager (with respect to the Hedge Fund and the separately managed accounts). David R. Fallgren is the Chief Compliance Officer of Venator. He also serves as a Portfolio Manager (with respect to the separately managed accounts).

Constantine W. Mamakos is an investor in the Hedge Fund.

Venator and each of its members, principals, managers, affiliates and employees (the "Venator Affiliates") engage in other activities, which may include providing investment management and advisory services to other funds and accounts and shall not be required to refrain from any activity, to disgorge profits from these activities or to devote all or any particular amount of time or effort of any of their officers, directors or employees to the funds, or its affairs. These other funds or accounts may pursue a substantially similar investment strategy as that of the Hedge Fund or the separately managed accounts. These activities could be viewed as creating a conflict of interest in that the time and effort of the Venator Affiliates will not be devoted exclusively to the business of the Hedge Funds and the separately managed accounts, but will be allocated among the business of the Hedge Fund, the separately managed accounts and other business activities of Venator Affiliates. Venator reviews all such business activities for conflicts of interest. Venator also requires that all employees receive prior approval from the Chief Compliance Officer before engaging in a business activity outside of their employment with Venator.

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

A Code of Ethics (the "Code") has been adopted for all employees of Venator and is designed to meet the requirements of Rule 204A-1 of the Investment Advisers Act of 1940 (the "Advisers Act"). . The Code is predicated on the principle that Venator and its employees have a fiduciary duty to, at all times, serve the best interest of its client based on the client's objectives. Venator and its employees must not subordinate interests of clients to their own and must eliminate or make full and fair disclosure of all conflicts of interest which might incline an investment adviser—consciously or unconsciously—to render advice which is not disinterested such that a client can provide informed consent to the conflict. Adherence to the Code is considered a basic condition of employment at Venator, and all employees are also required to comply with applicable securities laws and regulations. Further, employees are required to

promptly bring violations of the Code to the attention of the Chief Compliance Officer.

All employees are provided with a copy of the Code and are required to acknowledge receipt and understanding of the Code upon hire and on at least an annual basis thereafter.

Venator will provide a copy of the Code of Ethics to any client or prospective client upon request by contacting David Fallgren, Chief Compliance Officer, at (412) 586-3744 or dave@venatormanagement.com.

The Code requires Venator employees to report their personal securities holdings and transactions and obtain pre-clearance prior to investing in initial public offerings or limited offerings.

Venator, in the course of its investment management and other activities (e.g., board or creditor committee service), may come into possession of confidential or material nonpublic information about issuers, including issuers in which Venator or its related persons have invested or seek to invest on behalf of clients. Venator 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. Venator 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 Venator is meeting its obligations to clients and remains in compliance with applicable laws. In certain circumstances, Venator may possess confidential or material, nonpublic information that, if disclosed, might be material to a decision to buy, sell or hold a security, but Venator will be prohibited from communicating such information to the client or using such information for the client's benefit.

Venator and its employees may invest in the same securities (or related securities, e.g., warrants) that Venator recommends to clients. Such practices could present a conflict of interest if Venator or its employees were 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). These practices by Venator and its employees could also harm clients by adversely affecting the price at which the clients' trades are executed. Venator has adopted procedures in an effort to eliminate and/or fully and fairly disclose these conflicts of interest.

All employees must obtain prior written approval from the Chief Compliance Officer before engaging in any transaction in his or her personal account. In addition, unless approved by the Chief Compliance Officer in writing, Venator's general policy requires that employees are not permitted to trade in the same security as a client until, at a minimum, one day after the client trade is completed. However, if the Chief Compliance Officer determines that an employee purchase on the same day in the same security is equal to or exceeds the highest price per share of any client trade then the Chief Compliance Officer may permit same day purchase execution. Likewise, if the Chief Compliance Officer determines that an employee sale on the same day in the same security is equal to or is less than the lowest price per share of any client trade then the Chief Compliance Officer may permit same day sale execution. Exceptions to this general policy apply for stocks with a market capitalization in excess of $1 billion. All

employees of Venator are required to have duplicate brokerage trade confirmations and account statements sent to the Chief Compliance Officer. All employees must submit to the Chief Compliance Officer a final signed report of their securities transactions no later than thirty days after the end of each calendar quarter.

Item 12. Brokerage Practices

Venator is authorized to make all decisions as to which securities are bought and sold for its clients' accounts, the amount and price of those securities and the selection of and commission paid to brokers, unless specifically stated otherwise in a client's statement of investment guidelines.

Recommending Brokerage Firms

Venator is responsible for selecting broker-dealers to execute trades and negotiating any commissions paid on transactions for the managed accounts. Venator has an obligation to seek best execution for its clients based on the circumstances of each transaction it places. In selecting a broker for each specific client portfolio transaction, traders will use their best judgment to choose the broker most capable of providing "best execution". Brokers are selected on the basis of an evaluation by the adviser of the overall value and quality of the brokerage services provided by the firms to clients. As a general definition, "best execution" is the execution of client trades at the best net results (i.e., price) under the circumstances. Best execution requires the placement of trades in a manner that is intended to maximize the value of the client's investment objectives. When a trader places a discretionary order for a client account, many factors must be considered. In seeking the best price and execution quality, traders must consider not only the commission rate, spread or other compensation paid, but the price at which the transaction is executed, bearing in mind that it may be in the client's best interest to pay a higher commission, spread or other compensation in order to receive better execution.

A number of factors are considered by Venator in the selection of a broker for trade execution. These factors include, but are not limited to, commission rates, execution capability, back office capability, responsiveness, referrals, reputation, financial stability, research capability, the success of prior research recommendations, industry specific research expertise and depth of services provided. "Research" may include, but is not limited to, financial analysis of specific companies, financial market forecasts, technical analysis, macroeconomic data, political news, research products including electronic market quotations, electronic trading platforms, data on pricing and availability of securities, economic and financial forecasts. Although Venator will strive to achieve the best execution possible for client securities transactions, this does not require Venator to solicit competitive bids and Venator does not have an obligation to seek the lowest available commission cost. In seeking best execution, the determinative factor is not the lowest possible cost, but whether the transaction represents the overall best qualitative execution, taking into consideration the full range of a broker dealer's services, including among other things, the value of research provided, execution capability, commission rates, and responsiveness. Consistent with the foregoing, while Venator will seek competitive rates, it may

not necessarily obtain the lowest possible commission rates for client transactions. Venator is not required to negotiate "execution only" commission rates; thus, the client may be deemed to be paying for research and related services (*i.e.*, "soft dollars") provided by the broker which are included in the commission rate.

With respect to the Hedge Fund, substantially all of the Hedge Fund's investments in marketable securities, as well as its cash and cash equivalents, are held at Jefferies LLC and Pershing LLC. Jefferies LLC and Pershing LLC and other prime brokers or their affiliates may provide capital introduction or other placement services to the Hedge Fund and Venator (with or without separate charges for such other services). Venator may also execute trades with brokers and dealers with whom the Hedge Fund or Venator has other business relationships, including prime brokerage, credit relationships and capital introduction or investments by affiliates of the broker-dealers in the Hedge Fund or other entities managed by Venator. However, Venator does not believe that these other relationships will influence the choice of brokers and dealers who execute trades for the Hedge Fund.

With respect to the separately managed accounts, Venator has a relationship with the advisory services division of Charles Schwab & Co., Inc. ("Schwab"). Schwab is a registered broker/dealer and a member of the Financial Industry Regulatory Authority (FINRA) / Securities Investor Protection Corporation (SIPC) and provides custody services for separately managed accounts. Venator is independently owned and operated and not affiliated with Schwab or any other broker/dealer or bank. Venator does not maintain physical custody of client's assets although we are deemed to have custody of client's assets where the client has given us authority to debit management fees from the clients account. *See* Item 15 (Custody) for further information. Client assets must be maintained in an account at a "qualified custodian," generally a broker dealer or bank. Venator typically recommends a separately managed account client establish a brokerage account with Schwab to maintain custody of the client's assets. Depending on separately managed account client needs and circumstances, such clients may custody their assets with other broker-dealers or banks.

Schwab provides to independent investment advisors, like Venator, services which include custody of securities, trade execution, clearance and settlement of transactions. Schwab generally does not charge our separately managed account clients a fee for custody services, but Schwab does charge a flat dollar amount with prime broker fees. Schwab charges a prime broker fee for each trade that is executed by a broker other than Schwab resulting in the securities bought or the funds from the securities sold are deposited (settled) into a separately managed account client's account with Schwab. The prime broker fee charged by Schwab is in addition to the commissions paid to the executing broker. Other broker-dealers and banks providing custody services will have a different fee structure with custody fees and prime broker fees.

With respect to the separately managed accounts, Venator intends to use Tourmaline Partners, Jefferies Financial Group and Schwab's Street Smart Edge Trading platform for trade execution for all accounts regardless of the separately managed account client's custodian. Tourmaline Partners is a trading solutions firm providing outsourced, customized trading services to asset managers. Tourmaline Partners is expected to primarily be used for trade execution involving trade aggregation (described below in further detail). Jefferies Financial Group is the prime

broker for the Hedge Fund and provides trade execution services. Jefferies Financial Group, like Tourmaline Partners, is expected to primarily be used for trade execution involving trade aggregation (described below in further detail). Schwab's Street Smart Edge Trading platform is expected to primarily be used for trade execution not involving trade aggregation as well as on behalf of the non-prime broker separately managed accounts (defined as an account with a market value less than $100,000).

Research and Other Soft Dollar Benefits

Venator may receive products and services other than execution (*i.e.*, "soft dollars") from broker-dealers. These benefits may include financial analysis of specific companies, financial market forecasts, technical analysis, macroeconomic data, political news, research products including electronic market quotations, electronic trading platforms, data on pricing and availability of securities, economic and financial forecasts, research reports (including market research), financial newsletters and invitations to attend certain seminars and conferences. The research may be written or oral or provided in electronic format.

A portion of the commissions associated with the clients' brokerage transactions may generate "soft dollar" credits. Venator will be authorized to enter into agreements whereby "soft dollar" credits are used to pay for eligible research and other brokerage services and products used by Venator consistent with the "safe harbor" provisions of Section 28(e) of the Securities Exchange Act of 1934, as amended.

The research received from brokers is supplemental to the in-house research performed by Venator. Using client transactions to obtain research and other benefits creates incentives that result in conflicts of interest between advisers and their clients. When Venator uses "soft dollars" to obtain research products and services, it receives a benefit because it does not have to produce or pay for the research products and services. The availability of these benefits creates the potential incentive for Venator to select one broker-dealer rather than another to perform services for clients, based on Venator's interest in receiving the products and services instead of on its clients' interest in receiving the best execution prices. Obtaining these benefits may cause clients to pay higher fees than those charged by other broker-dealers who do not provide such benefits. Venator will attempt to mitigate this conflict by choosing brokers that otherwise satisfy the best execution factors discussed above.

Research and other products and services purchased with soft dollars will generally be used to service all of Venator's clients, but brokerage commissions paid by one client may be used to pay for research that is not used in managing that client's portfolio, as permitted by Section 28(e). In other words, there may be certain client accounts that benefit from the research services, which did not make the payment of commissions to the broker-dealer providing the services.

Where a product or service obtained with soft dollars provides both research and non-research assistance to Venator, we will make a reasonable allocation of the proportion attributable to assisting Venator in carrying out its investment decision-making responsibilities, which will be paid through brokerage commissions generated by client transactions. The proportion attributable to administrative or other non-research purposes will be paid for by

Venator.

Venator is not currently contractually bound to soft dollar contracts with any broker-dealer for research. At its discretion, Venator may direct a trade to a broker- dealer for research provided, but Venator is not under any obligation to do so with any broker-dealer. The services provided from Schwab for separately managed accounts, including custody, electronic trading platform and market data are not contingent upon Venator's commitment to any specific amount of business. Schwab's commission rates applicable to separately managed client accounts were negotiated based on a commitment to maintain $10 million of separately managed account clients' assets at Schwab. This commitment benefits separately managed account clients utilizing Schwab because the overall commission rates a separately managed account client pays may be lower than they would be if Venator had not made the commitment.

Brokerage for Client Referrals

Venator does not receive client referrals from broker-dealers or third parties when it selects or recommends broker-dealers to potential or existing clients.

Trade Aggregation and Allocation

Transactions for each client will be affected independently unless Venator decides to purchase or sell the same securities for several clients at approximately the same time. Venator performs investment management services for various clients, some of which may have similar investment objectives. Venator will aggregate sale and purchase orders with other clients that have similar orders being made at the same time, if in Venator's judgment such aggregation is reasonably likely to result in an overall economic benefit to the affected accounts. These benefits can include better transaction prices and lower trade execution costs. Before trading an aggregated order, Venator runs its batch buy report (or in the case of selling, the batch sell report) which generates a potential share purchase or sale list for all accounts based on factors including, but not limited to, the equity allocation in the account versus targeted equity allocation, cash available in each account and the portfolio position limits permissible under Venator's risk management guidelines. In an effort to remain equitable in the trade allocation of securities, each batch report is rotated by domicile. Venator's batch buy report generally guides the allocation of investment opportunities, subject to any overall limitations imposed by a client on its account.

When trading equity securities, Venator will generally prioritize allocation of trades first to the prime broker separately managed accounts, the bank-domiciled separately managed accounts and the Hedge Fund based on the batch rotation order. Venator will prioritize the prime broker separately managed accounts, the bank domiciled separately managed accounts and the Hedge Fund because of our preference with using electronic trading platforms or when trading through a specific broker-dealer that is able to handle more order flow in a security. Because of their trading limitations, non-prime broker separately managed accounts (defined as an account with a market value less than $100,000) will generally participate in investment opportunities after the prime broker separately managed accounts (defined as an account with a market value equal to or greater than $100,000), the bank-domiciled separately managed

accounts and the Hedge Fund. In certain circumstances, such as trading in illiquid securities, the non-prime broker separately managed accounts may not be able to participate or may do so at less advantageous prices.

If an order is filled in its entirety, it will be allocated among clients in accordance with the batch buy report (or in the case of sales, the batch sell report). Partially filled orders are generally not allocated by Venator among clients on a pro rata basis. Rather, partial buy orders are generally allocated to fill specific accounts in order per domicile from the account with the lowest total equity exposure to the account with the highest total equity exposure. Partially filled sell orders are generally allocated to fill client account orders per domicile first for those accounts with the highest allocation to the security and then to the accounts with the lowest allocation to the security. Notwithstanding the above, aggregated orders may be allocated differently if treatment is deemed reasonably fair and equitable to all clients and approved by the Portfolio Managers.

The length of time to complete the purchase of securities based upon the batch buy report or the sale of securities based upon the batch sell report depends on a variety of factors including, but not limited to, the liquidity of the security, the choice of executing broker and the use of limit orders. Because it can take days to complete a batch buy or a batch sell report no assurance can be given that the execution and price paid or received by clients will be comparable amongst accounts. Additionally, no assurance can be given that a batch buy or batch sell report will be completed due to price movements away from limit orders.

Trade Errors

While managing the portfolios of its clients, Venator may from time to time make trade errors. Trade errors are not errors in judgment, strategy, market analysis, economic outlook or the like, but rather errors in implementing specific trades which Venator has determined (rightly or wrongly) to make. Examples of trade errors would be: buying 10,000 shares of an issue, rather than the 1,000 that was intended; or taking a long, rather than the intended short, position in a particular issue. Trade errors can result from clerical mistakes, miscommunications between Venator's personnel and other reasons. Importantly, however, trade errors are not the function of poor strategies, valuation models, economic expectations, undue speculation, unauthorized trades or the like, but rather of the physical implementation of specific trades on which Venator had decided. Venator will determine whether to have the costs arising from trade errors borne by the client or Venator by applying the pertinent standard of liability for Venator in its management of the client's capital — i.e., the same standard of liability which would apply to any other action or omission by Venator in the course of such management. Venator will itself determine in good faith whether or not a given trade error is required to be reimbursed under the general liability and exculpation standards applicable to the client. Venator has a conflict of interest in determining whether a trade error should be for the account of the client or Venator and will attempt to resolve such conflict by an objective determination of the status of such trade error under the applicable liability standard. Trade error costs can be significant — including market losses resulting from the position incorrectly acquired as well as the additional brokerage costs of closing out or reversing the error. The opportunity cost (lost profits) of not having made the trade intended to be made is not considered a trade error cost. Any gains recognized on trade

errors will be for the benefit of the client; none will be retained by Venator.

Item 13. Review of Accounts

The Portfolio Managers monitor client investments on an ongoing, continuous basis. Constantine W. Mamakos is the portfolio manager of Venator Capital Partners LP. Constantine W. Mamakos and David R. Fallgren are the portfolio managers with the separately managed accounts. Each client account is reviewed as necessary to determine portfolio composition in view of current market conditions. In addition, the internal portfolio accounting system enables the review of portfolios daily. Since most portfolios hold similar securities, reviews are triggered by changes in risk-reward ratios for various holdings and by analysis of other securities that may meet Venator's investment discipline. If a separately managed account client imposes restrictions on their account (with the agreement of Venator), Venator's portfolio accounting system monitors such client's account to ensure Venator's compliance with the client restrictions.

Significant market events affecting the prices of one or more securities in client accounts, changes in the investment objectives or guidelines of a particular client or specific arrangements with particular clients may trigger reviews of client accounts on other than a periodic basis.

In addition to separately managed account clients generally having the ability to access their separately managed accounts at any given point in time, Venator provides written investment summaries for each separately managed account on a quarterly basis, which include each client's portfolio holdings and investment performance. Each separately managed account client receives from their custodian written trade confirmations and monthly statements.

The limited partners of the Hedge Fund are advised at the end of each fiscal quarter as to the performance of the Hedge Fund. The Hedge Fund's administrator, SS&C ALPS, prepares and distributes quarterly written net asset value reports directly to the Hedge Fund's limited partners. In addition, the Hedge Fund's limited partners receive a quarterly written letter from the portfolio manager of the Hedge Fund. The books and records of the Hedge Fund are audited at the end of each fiscal year by a firm of independent certified public accountants selected by the Hedge Fund GP. Each Hedge Fund limited partner will be furnished with audited year-end financial statements, including a statement of profit and loss for the fiscal year and a K-1 which includes a roll forward of the Hedge Fund limited partner's capital accounts. The Hedge Fund has used the auditing services of Ernst & Young, LLP since 2014.

The Hedge Fund's quarterly reporting to limited partners differs from Venator's quarterly reporting to its separately managed account clients because, among other things, the Hedge Fund's quarterly reporting does not include the Hedge Fund's portfolio holdings, while the separately managed account quarterly reporting does include portfolio holdings.

Item 14. Client Referrals and Other Compensation

Neither Venator nor any of its related persons have any arrangement where it directly or indirectly compensates any person for client referrals.

Item 15. Custody

Pursuant to Rule 206(4)-2 of the Advisers Act, Venator is deemed to have custody of client funds, with details outlined in Item 9 of Form ADV Part 1. To mitigate any potential conflicts of interests, all client assets will be maintained with an independent qualified custodian.

Generally, with respect to the separately managed accounts, Venator recommends Schwab for custodial services, but from time to time, other separately managed account custodians may be accepted by Venator for custody of separately managed account client assets.

Generally, with respect to the Hedge Fund, Jeffries LLC and Pershing LLC serve as the Hedge Fund's independent qualified custodians. The Hedge Fund is subject to an annual audit by an independent public accountant.

Notably, in most cases a client's broker dealer also acts as the custodian of the client's assets for little or no extra cost. Clients should be aware, however, of the differences between having their assets held at a broker dealer versus at a bank or trust company. Some of these differences include, but are not limited to, custodian costs, trading issues, security of assets, client reporting and technology.

Venator will only implement its investment management recommendations with respect to a separately managed account after the separately managed account client has arranged for and furnished Venator with all information and authorization regarding its account held at the designated qualified custodian.

Separately managed account clients will receive written statements on at least a quarterly basis directly from the qualified custodian that holds and maintains their assets. Separately managed account clients are urged to carefully review all custodial statements and compare them to the written statements provided by Venator. Venator's statements vary from custodial statements based on accounting procedures, reporting dates, or valuation methodologies of certain securities. See Item 12 (Brokerage Practices) for further information.

Item 16. Investment Discretion

Subject to the governing documents of the Hedge Fund or any separately managed account, Venator has broad discretion to use any trading or investment techniques, whether or not contemplated by the strategies described above, in order to attempt to achieve the return goals and the best interests of its clients. The Investment Management Agreements entered into between the Hedge Fund or the separately managed accounts clients, on the one hand, and Venator, on the other hand, generally provide that Venator has complete discretion regarding the

investment of the client's assets, subject to the investment objectives, policies, and parameters of the client set forth in the governing documents of the Hedge Fund or the separately managed account.

Venator has discretionary authority to trade on behalf of the Hedge Fund and the separately managed accounts. Any limitations on Venator's discretionary authority are contained in the governing documents of the Hedge Fund and the Investment Management Agreement between Venator and the separately managed accounts. Prior to assuming discretion in managing a separately managed account client's assets, Venator enters into an Investment Management Agreement or other agreement with the client that sets forth the scope of Venator's discretion.

Various securities and/or tax laws, as well as Venator's internal compliance policies, may impose additional restrictions on the investments that may be made. Upon written request, Venator will tailor its advisory services with a separately managed account to meet the needs of the client by adjusting the percentage of capital allocated to equity investments thereby increasing or reducing the client's market exposure. Additionally, with Venator's agreement, separately managed account clients may impose restrictions on investing in certain companies or industries.

Item 17. Voting Client Securities

The Hedge Fund has delegated the authority to vote its securities to Venator. Separately managed account clients have the option of delegating the authority to vote their separately managed account securities to Venator.

To the extent Venator is delegated proxy voting authority on behalf of its clients, Venator complies with its proxy voting policies and procedures that are designed to ensure that such proxies are voted in the best interests of its clients in light of a reasonable understanding of the client's objectives and not place Venator's interests ahead of the client's.

With respect to the clients that delegate proxy voting authority to Venator, for all securities held in their portfolio, Venator will analyze and vote the proxy ballots on the clients' behalf. Unless Venator receives specific voting guidelines from a separately managed account client, Venator will vote proxies in the best interest of each particular client. It is possible that a proxy vote for the same issue could be different among clients depending on the applicable client's situation or because of the guidance provided by the applicable client. Before voting, Venator will review the proxy to determine if there is any conflict of interest between Venator and its clients. If a material conflict of interest is identified, Venator's proxy committee, composed of the three full-time employees of Venator, will decide whether voting in accordance with the voting guidelines is in the best interests of clients or whether some alternate action is appropriate. Finally, separately managed account clients may direct the vote of their proxies in a particular solicitation by contacting Venator prior to the vote.

With respect to each client that does not delegate proxy voting to Venator, the client will receive its proxies or other solicitations directly from their custodian. Clients may contact Venator with questions about any proxy ballot or solicitation.

Clients may obtain information about how Venator voted proxy ballots and a complete copy of Venator's Proxy Voting Policies & Procedures by contacting David Fallgren, Chief Compliance Officer, at (412) 586-3744 or dave@venatormanagment.com.

Item 18. Financial Information

Venator does not require or solicit prepayment of more than $1,200 in fees per client, six months or more in advance and therefore is not required to provide, and has not provided, a balance sheet.

Venator does not have any financial commitments that impair its ability to meet contractual and fiduciary obligations to our clients and has not been the subject of a bankruptcy proceeding.