

**Eidelman Virant Capital**  
**8000 Maryland Avenue, Suite 600**  
**Saint Louis, Missouri 63105**  
**(314) 727-9686**  
**[www.eidelmanvirant.com](http://www.eidelmanvirant.com)**

This brochure provides information about the qualification and business practices of Eidelman Virant Capital. If you have any questions about the contents of this brochure, please contact us at (314) 727-9686, or by email at [tom@eidelmanvirant.com](mailto:tom@eidelmanvirant.com). The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission, or by any state securities authority.

Additional information about Eidelman Virant Capital is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

March 30, 2021

# Item 2 - Material Changes

---

## **Annual Update**

Eidelman Virant Capital is providing this information as an annual amendment, which contains material changes from our last annual update. This section discusses only material changes since the last annual update which most recently occurred on March 18, 2020.

## **Material Changes since the Last Update**

The Securities and Exchange Commission adopted amendments to Part 2 of Form ADV effective October 2010. As a result, Part 2 consists of Part 2A (the "Brochure") and Part 2B (the "Brochure Supplement"). Each update of the Brochure must include a summary of all material changes since the last annual update.

This Brochure dated March 30, 2021, does not contain any material changes as none were made since our last annual update.

## **Full Brochure Availability**

The Firm Brochure for Eidelman Virant Capital is available by contacting Tom Eidelman 314-727-9479 or [tom@eidelmanvirant.com](mailto:tom@eidelmanvirant.com).

# Contents

---

Item 1 – Cover Page .....	1
Item 2 - Material Changes .....	2
Annual Update.....	2
Material Changes since the Last Update .....	2
Full Brochure Availability .....	2
Item 4 – Advisory Business .....	5
Firm Description .....	5
Principal Owners .....	5
Types of Advisory Services .....	5
Client Assets .....	6
Item 5 – Fees and Compensation .....	6
Description .....	6
Fee Billing .....	6
Other Fees .....	6
Partnership Fees .....	7
Item 6 - Performance-Based Fees & Side-by-Side Management .....	7
Sharing of Capital Gains or Capital Appreciation .....	7
Item 7 – Types of Clients .....	8
Description .....	8
Account Minimums .....	8
Item 8 – Methods of Analysis, Investment Strategies and Risk of Loss .....	8
Methods of Analysis & Investment Strategies .....	8
Risk of Loss.....	9
Item 9 – Disciplinary Information .....	12
Legal and Disciplinary .....	12
Item 10 – Other Financial Industry Activities and Affiliations.....	12
Material Relationships or Arrangements with Financial Industry .....	13
Item 11 – Code of Ethics, Participation or Interest in Client Transactions and Personal Trading .....	13
Code of Ethics .....	13
Recommend Securities with Material Financial Interest.....	14

Invest in Same Securities Recommended to Clients.....	14
Personal Trading Policies .....	14
Item 12 – Brokerage Practices .....	15
Selecting Brokerage Firms .....	15
Research and Soft Dollars.....	15
Brokerage for Client Referrals .....	16
Directed Brokerage.....	16
Order Aggregation, Allocation and Rotation.....	17
Item 13 – Review of Accounts.....	18
Periodic Reviews .....	18
Review Triggers .....	18
Regular Reports .....	19
Item 14 – Client Referrals and Other Compensation .....	19
Economic Benefits.....	19
Third Party Solicitors .....	19
Item 15 – Custody .....	19
Account Statements .....	19
Item 16 – Investment Discretion .....	20
Discretionary Authority for Trading .....	20
Limited Power of Attorney.....	20
Item 17 – Voting Client Securities .....	20
Proxy Voting.....	20
Item 18 – Financial Information .....	21
Prepayment of Fees .....	21
Financial Condition .....	21
Bankruptcy .....	21

# Item 4 – Advisory Business

---

## Firm Description

Eidelman Virant Capital (EVC) is an independent, St. Louis-based SEC registered investment advisor. EVC's mission is to provide clients with a premier investment management experience: superior risk-adjusted returns and outstanding client service coupled with the utmost level of integrity and ethical standards.

EVC's core investment principles include investing in companies with 1) advantaged businesses 2) outstanding management and corporate culture 3) exceptional customer experiences and 4) valuations that imply a potential superior risk-adjusted investment return relative to alternatives.

## Principal Owners

Principal owners include Tom Eidelman (25%), David Eidelman (25%), John Virant Jr (25%), and John Virant III (25%),

## Types of Advisory Services

At EVC, we aim to outperform the S&P 500 & Russell 2000 indices with less risk. We are active investment managers that focus on selecting a portfolio of individual securities. EVC provides its advisory services to the majority of its clients in separately managed accounts. Each client portfolio is managed individually to allow maximum flexibility and to properly adhere to the specific goals and objectives of each client.

Clients may impose restrictions on investing in certain securities or types of securities, but we handle these requests on a case by case basis. If it gets to the point where the restrictions do not give us the flexibility to invest according to our approach, we may discuss with the client whether it is a good fit for us to continue to manage their account.

For certain clients we will provide financial planning services including but not limited to retirement, insurance, and education planning. The firm does not sell any financial products but may manage the client's investable assets. The advisory services provided to clients take into account each client's individual needs.

EVC also serves as the investment adviser to certain pooled investment vehicles, Pinetree Partners, LP and 8<sup>th</sup> & Jackson Partners, LP, and may advise other private funds in the future (the "Partnerships"). *Any reference to the Partnerships within this Form ADV Part 2A shall not constitute an offer to sell or the solicitation of an offer to buy interests in the Partnerships.* A private placement of securities may only be made in conjunction with the Partnerships' offering documents. EVC continuously manages the assets of the Partnerships based on the investment goals and objectives as outlined in each Partnership's offering documents. The individual needs of the investors in the Partnerships are not the basis of investment decisions made by EVC; investment advice is provided directly to the Partnerships and not to the individual investors holding shares of the funds.

## **Client Assets**

As of 12/31/2020, we manage approximately \$330,419,954 which includes individual and institutional clients as well as our personal assets with discretionary authority on virtually all assets under management.

# **Item 5 – Fees and Compensation**

---

## **Description**

EVC is compensated by charging an annual fee as a percentage of our clients' assets under management. There is a flat fee schedule which varies from 0.50%-1.50% per year depending on the client, investment strategy, assets managed, and other factors. The applicable fee schedule is stated within each client's investment management agreement with the Firm. Fees are calculated and assessed in arrears, at the end of each quarter, and are based upon the market value of the assets under management at the end of each quarter that we have managed it. For accounts that start or terminate mid-quarter, the management fee is pro-rated. We reserve the right to negotiate fees with clients when appropriate. Some accounts may be under different fee schedules honoring prior agreements. A client investment management agreement may generally be canceled at any time, by either party, pursuant to the terms of each client's investment management agreement.

## **Fee Billing**

Fees will be invoiced directly or debited from the account on a quarterly basis in accordance with the client's written authorization. Accounts managed by the Firm are held in custody by a third-party bank or broker-dealer of client's choosing. Clients' custodians will deliver a periodic (at least quarterly) account statement directly to clients. The statements will include all transactions that took place in the account during the period covered and reflect any fees deducted and paid to EVC. Clients are encouraged to review their account statement for accuracy and compare them to the reports received from EVC. Should there be any discrepancies clients should rely on the information in their custodian's account statement.

## **Other Fees**

Clients will incur custodial fees, brokerage fees and commissions and other transaction costs and miscellaneous fees in addition to our management fee. Miscellaneous fees may include (but are not limited to) retirement plan administration fees, odd-lot differentials, transfer taxes, wire transfer and electronic fund fees, and other fees and taxes on brokerage accounts and securities transactions. For those accounts that contain mutual funds, clients should be aware that the fund companies may charge their own management fees as well. Please see the "Brokerage" section of this brochure for more detail.

EVC reserves the right to negotiate its fees with its clients. Fees on certain employee, family and affiliated entity separate accounts and Partnership investments have been waived. Such waiving is granted at the discretion of firm management.

EVC's only remuneration for managing client assets are the management and performance fees described above. Neither EVC nor any of its supervised persons accepts compensation for the sale of securities or other investment products.

### **Partnership Fees**

The advisory fee that EVC receives as investment manager to the Partnerships is based on the amount of assets under management in each fund as disclosed in its offering documents. Advisory fees for the Partnerships are calculated by an independent, third party administrator, deducted from each investors' capital account and verified annually by an independent auditor.

8<sup>th</sup> & Jackson GP, LLC, an affiliate of EVC, is eligible to receive an annual performance allocation of 20% of profits of 8<sup>th</sup> & Jackson Partners LP subject to a "high water mark." For its services to 8<sup>th</sup> & Jackson Partners LP, EVC receives an advisory fee and is entitled to receive 30% of the performance fee, with the remainder to the general partner, 8<sup>th</sup> & Jackson GP, LLC, an affiliate of EVC. See Affiliations and Other Compensation for additional information about the general partner of 8<sup>th</sup> & Jackson Partners LP. A detailed description of the 8<sup>th</sup> & Jackson Partner LP's fees and expenses is included in its offering documents.

The advisory fee is waived for clients invested in the Partnerships that already pay a management fee on those same assets to us through one or more funds. EVC reserves the right to negotiate and waive fees with investors in the Partnerships when appropriate, typically in the form of a side letter, which is permitted in accordance with each Partnership's offering documents.

## **Item 6 - Performance-Based Fees & Side-by-Side Management**

---

### **Sharing of Capital Gains or Capital Appreciation**

As disclosed in the prior section, EVC may receive an annual performance-based fee from the 8<sup>th</sup> & Jackson Partners, LP. This performance-based fee is calculated based on a share of capital gains on or capital appreciation of the assets of the fund. The 8<sup>th</sup> & Jackson Partners LP performance allocation is currently 20% of profits subject to a "high water mark".

Clients should be aware that a performance-based fee arrangement creates an incentive for EVC to recommend investments which may be riskier or more speculative than those which would be recommended under a different fee arrangement. In addition, EVC recognizes that the management of assets for clients with differing terms related to performance-based fees creates potential conflicts of interest, including the risk that an adviser may favor one account over

another. EVC addresses these potential conflicts through regular monitoring for consistency with client objectives, strategies and target capacity, as well as with its brokerage and trading policies.

## Item 7 – Types of Clients

---

### Description

EVC manages assets for individuals, pension and profit-sharing plans, trusts, estates, retirement accounts, other personal accounts, charitable organizations, and also corporations or business entities other than those listed previously. The Firm also manages private investment funds (the Partnerships) as described within this Form ADV Part 2A.

### Account Minimums

We require a \$1,000,000 minimum initial investment though we may make exceptions to this minimum requirement depending on the circumstances at our discretion.

The Partnerships have a minimum for initial and subsequent investments, which is fully described in each fund's offering documents.

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

---

### Methods of Analysis & Investment Strategies

At Eidelman Virant Capital, we primarily manage client accounts in equity strategies. EVC's core investment principles include investing in companies with 1) advantaged businesses 2) outstanding management and corporate culture 3) exceptional customer experiences and 4) valuations that imply a potential superior risk-adjusted investment return relative to alternatives.

Additionally, we examine other characteristics such as balance sheet strength, activism, stock price momentum, management buying or selling, and earnings quality. We consider global macroeconomic trends to find securities and sectors that may have sustainable growth prospects.

Environmental, social and governance (ESG) related issues are also integrated into the fundamental analysis of invested and researched companies at EVC through identification, analysis and evaluation of materially financial ESG factors. Because EVC seeks investments that deliver long-term capital growth with reduced risk of loss as part of a diversified portfolio, EVC believes companies that responsibly integrate ESG factors into their strategic plans can enhance value and reduce risk.

We also may look for special situations and market inefficiencies that fly under the radar, are "too complicated" or go against the conventional thinking or investor sentiment. At times, we pay



attention to investor psychology, because hope and fear can often lead investors to make irrational decisions which create opportunities to buy or sell certain securities.

While the majority of client assets are invested in common equities, we also may buy preferred stocks, corporate bonds, and other income securities when appropriate. Depending on a client's risk tolerance, we customize a portfolio between growth and income securities. In some cases, we also utilize a global asset allocation strategy which utilizes exchange-traded-funds (ETFs) and mutual funds to get broad global diversification.

During the course of our analysis, we typically review annual reports, conference calls, executive interviews, prospectuses, SEC filings, research reports prepared by others, corporate ratings services, company press releases, inspections of corporate activities, financial newspapers and magazines, speak directly with management, and other research methods.

In our stock-specific equity strategies, we typically construct a portfolio of around 20-40 securities across the various market sectors to balance individual stock and sector risk while allowing our selected investments to generate the investment performance.

## **Risk of Loss**

Investing in securities involves a risk of loss that clients should be prepared to bear, including loss of original principal. Clients and prospective clients should be aware that past performance of any security is not necessarily indicative of future results and should not assume that future performance of any specific investment or investment strategy will be profitable. EVC does not provide any representation or guarantee that your goals will be achieved.

We are invested mainly in equities or securities that may exhibit equity-like returns. Often, we invest in securities that underperform the market and/or do not meet our initial expectations after our research. Though we do our best to minimize risk, volatility and investment losses may occur. By investing with our firm, clients' securities and portfolios are taking on equity-like risk and may be subject to loss of principal.

Investing in common stocks involves risk in that prices of publicly traded equities fluctuate daily, sometimes dramatically. Furthermore, it is possible that the value of a stock could become worthless, the market price of a security or instrument may decline, sometimes rapidly or unpredictably, due to general market conditions that are not specifically related to a particular company, such as real or perceived adverse economic or political conditions throughout the world, changes in the general outlook for corporate earnings, changes in interest or currency rates or adverse investor sentiment generally ("Market Risk"). In addition to market risk, stocks of small companies may be more thinly traded than those of larger, established companies and may be subject to greater price volatility than the overall stock market.

Although not a core component of our investment strategy for all clients, we may invest in preferred stocks, corporate bonds and other income securities when it is appropriate given each client's objectives and guidelines. Investing in fixed income securities has unique risks that include:

- **Credit Risk:** The issuer of a fixed income security may not be able to make interest and principal payments when due. Generally, the lower the credit rating of a security, the greater the risk that the issuer will default on its obligation.
- **Issuer Risk:** The value of a fixed income security may decline due to many reasons relating to the issuer or the borrower or their industries or sectors. This risk is heightened for lower rated fixed income securities or borrowers.
- **Change in Rating Risk:** If a rating agency gives a debt security a lower rating, the value of the debt security will decline because investors will demand a higher rate of return.
- **Interest Rate Risk:** As nominal interest rates rise; the value of fixed income securities is likely to decrease. A nominal interest rate is the sum of a real interest rate and an expected inflation rate.
- **Prepayment and Extension Risk:** As interest rates decline, the issuers of securities may prepay principal earlier than scheduled, forcing a reinvestment in lower yielding securities. As interest rates increase, slower than expected principal payments may extend the average life of fixed income securities, locking in below-market interest rates and reducing the value of these securities.
- **Premium/Discount Risk:** When a client's portfolio invests in a fixed income security at a premium to its face value, it will be subject to the risk that the entire coupon (interest rate) may be paid out as a dividend. Over time, the premium on the fixed income security declines as it approaches maturity. At maturity, the market price of a fixed income equals its face value. The declining premium lowers the value of the security in the client's portfolio. Thus, the client's portfolio may have attained a higher payout over the life of the fixed income security, but at the expense of erosion in the value of such security over time.
- **"Junk" Bonds:** If utilized, a client's portfolio may be subject to greater levels of interest rate and credit risk because of investing in high-yield securities and unrated securities of similar credit quality (commonly known as "junk bonds") than client portfolios that do not invest in such securities. These securities are considered predominately speculative with respect to the issuer's continuing ability to make principal and interest payments. An economic downturn or period of rising interest rates could adversely affect the market for these securities and reduce the client's ability to sell these securities (liquidity risk). If the issuer of a security is in default with respect to interest or principal payments, the client's portfolio may lose its entire investment.

Although going on margin, short-selling, and short-term trading are not major components of our investment strategy for all clients, some may request that we do so to potentially enhance portfolio return. Investing in equities and/or using these other strategies may lead to significant volatility of a client's assets.

Short selling transactions expose the risk of loss in an amount greater than the initial investment, and such losses can increase rapidly and without effective limit. There is the risk that the securities borrowed by EVC in connection with a short sale would need to be returned to the securities

lender on short notice. If such request for return of securities occurs at a time when other short sellers of the subject security are receiving similar requests, a "short squeeze" can occur, wherein we might be compelled, at the most disadvantageous time, to replace the borrowed securities previously sold short with purchases on the open market, possibly at prices significantly in excess of the proceeds received earlier.

When securities are purchased, they may be paid for in full or part of the purchase price may be borrowed from the brokerage firm. The securities purchased are the brokerage's collateral for the loan. If the securities in the account decline in value, so does the value of the collateral supporting the loan, and, as a result, the firm can take action, such as issue a margin call and/or sell securities in any client account, in order to maintain the required equity in the account. Short selling requires the use of a margin account, as the securities used in the short sale are borrowed from the brokerage firm before they are sold. In the case of a short sale, cash received from the sale of the borrowed shares is held as collateral. If the short position declines in value, i.e. the borrowed shares rise in price, the value of the cash collateral supporting the borrowed shares declines, and, as a result, the broker can take action, such as issue a margin call and/or sell or buy to cover securities in any of the accounts held with the member, in order to maintain the required equity in the account.

Risks involved in trading securities on margin include the following:

- You can lose more funds than you deposit in the margin account. A decline in the value of securities that are purchased on margin may require you to provide additional funds to the broker that has made the loan to avoid the forced sale of those securities or other securities in your account(s).
- The broker can force the sale of securities in your account(s). The broker can also force the purchase of securities in the case of short positions. If the equity in your account falls below the maintenance margin requirements under the law, or the broker's higher "house" requirements, the broker can exit positions in any of your accounts held at the firm to cover the margin deficiency. You also will be responsible for any short fall in the account after such actions.
- The broker can sell your securities, or buy back short positions, without contacting you. Some investors mistakenly believe that a firm must contact them for a margin call to be valid, and that the broker cannot liquidate securities in their accounts to meet the call unless the firm has contacted them first. This is not the case. Most brokers will attempt to notify their customers of margin calls, but they are not required to do so. However, even if a broker has contacted a customer and provided a specific date by which the customer can meet a margin call, the broker can still take necessary steps to protect its financial interests, including immediately exiting positions without notice to the customer.
- You are not entitled to choose which positions in your account(s) are liquidated to meet a margin call. Because the securities are collateral for the margin loan, the broker has the right to decide which security to sell in order to protect its interests.
- The broker can increase its "house" maintenance margin requirements at any time and is not required to provide you advance written notice. These changes in broker policy often take effect immediately and may result in the issuance of a maintenance margin call. A failure to satisfy the call may cause the liquidation of positions in your account(s).

The EVC Partnerships are also subject to additional risks detailed in the respective confidential private placement memorandums.

**Cybersecurity Risk:** With the increased use of technology to conduct business, information security and related risks have increased. In general, cyber incidents can result from deliberate attacks or unintentional events, arise from external or internal sources, and may, among other things, cause a client account to lose proprietary information, suffer data corruption and/or destruction or lose operational capacity, result in the unauthorized release or other misuse of confidential information, or otherwise disrupt normal business operations. Cyberattacks include, but are not limited to, gaining unauthorized access to digital systems (e.g., through “hacking” or malicious software coding) for purposes of misappropriating assets or sensitive information; corrupting data, equipment or systems; or causing operational disruption. Cyberattacks are also carried out in a manner that does not require gaining unauthorized access, such as causing denial-of-service attacks on websites (i.e., efforts to make network services unavailable to intended users).

Cyber incidents affecting EVC or third party service providers (including, but not limited to, custodians, transfer agents, and other financial intermediaries used by a fund or an account) have the ability to cause disruptions and impact business operations, potentially resulting in financial losses, impediments to trading, the inability to transact business, destruction to equipment and systems, violations of applicable privacy and other laws, regulatory fines, penalties, reputational damage, reimbursement or other compensation costs, or additional compliance costs. Similar adverse consequences could result from cyber incidents affecting issuers of securities in which a client account is invested, trading counterparties, governmental and other regulatory authorities, exchange and other financial market operators, banks, brokers, dealers, and other financial institutions (including financial intermediaries and service providers), and other parties. Although EVC has established policies and procedures designed to reduce the risks associated with cybersecurity threats, there is no guarantee that such efforts will succeed, especially since EVC does not directly control the cybersecurity systems of issuers or third-party service providers. There is also a risk that cyber security breaches may not be detected.

## Item 9 – Disciplinary Information

---

### Legal and Disciplinary

Eidelman Virant Capital and its management have not been involved in any legal or disciplinary events in the past 10 years that would be material to a client’s or prospective client’s evaluation of Eidelman Virant Capital’s advisory business or the integrity of its management.

## Item 10 – Other Financial Industry Activities and Affiliations

---

## Material Relationships or Arrangements with Financial Industry

Eidelman Virant Capital manages a pooled investment vehicle called Pinetree Partners, LP. The fund is not marketed to the general public. The offering of its interests is solely on a private placement basis to accredited investors as described in its Confidential Offering Memorandum. John Virant is the lead portfolio manager and the Virant family has personal assets invested in Pinetree Partners, LP. As the investment manager, EVC is entitled to an advisory fee as set forth in the fund's Confidential Offering Memorandum.

EVC also manages the 8<sup>th</sup> & Jackson Partners, LP pursuant to an investment management agreement with the fund's General Partner, 8<sup>th</sup> & Jackson GP, LLC. From the fund's inception to date, 8<sup>th</sup> & Jackson GP, LLC has served as the General Partner of the fund and Benjamin Weiss has been solely responsible for operating the General Partner and 8th & Jackson Capital Management, LLC, which served as the fund's previous investment manager. On March 31, 2019, Mr. Weiss joined EVC as portfolio manager for the fund. The fund is not marketed to the general public. The offering of its interests is solely on a private placement basis to accredited investors as described in its Confidential Private Placement Offering Memorandum. As the investment manager, EVC is entitled to an advisory fee as well as a portion of the fund's performance allocation as set forth in the Confidential Private Placement Offering Memorandum and described within this ADV Part 2A.

EVC is not registered, nor does it have an application to register, as a broker-dealer. Neither EVC nor any of its employees are registered, or have an application to register, as a futures commission merchant, commodity pool operator, a commodity trading advisor, or an associated person of the foregoing entities. EVC does not invest directly in any commodities in its investment process. EVC is not registered with any foreign financial regulatory authority.

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

---

## Code of Ethics

Eidelman Virant Capital has adopted a Code of Ethics for all employees that describes the requirements for the ethical standards and professional conduct of our business. The Code of Ethics is intended to ensure adherence to the standards, and compliance with the provisions, of Rule 204A-1 of the Investment Advisers Act of 1940. It covers our standards of conduct, including compliance with fiduciary duties and securities laws. It also covers access person report requirements, review of employee holdings and transaction reports, and implementation and enforcement of our Code of Ethics. All employees must acknowledge compliance with the terms of the Code of Ethics (i) upon hire, (ii) on an annual basis, and (iii) upon amendment to the Code

of Ethics. Any individual who violates the Code may be subject to disciplinary actions, up to and including termination.

We will provide a copy of our Code of Ethics to any client or prospective client upon request. You may request a copy by email sent to [tom@eidelmanvirant.com](mailto:tom@eidelmanvirant.com), or by calling us at 314-727-9686.

EVC and its access persons may, and commonly do, buy or sell for their personal accounts securities that are identical to or different from those recommended to its clients. In addition, EVC access persons may have an interest or position in securities which may also be recommended to a client. As these situations represent a conflict of interest to our clients, we have established the following policies and procedures for implementing our Firm's Code, to ensure our Firm complies with its regulatory obligations and provides our clients and potential clients with full and fair disclosure of such conflicts of interest.

No EVC employee, principal officer or access person may put his or her own interest above the interest of an advisory client. EVC permits trading in personal accounts subject to certain restrictions. In order to avoid a potential conflict with client accounts, employees are not permitted, among other things, to engage in any transactions intended to raise, lower, or maintain the price of any security or to create a false appearance of active trading, or to trade personal securities against recommendations given to EVC's advisory clients (i.e., a Supervised Person may not buy securities (other than mutual fund shares) that EVC and/or any Supervised Person thereof is recommending a client to sell, and vice versa). Personal securities transactions are reported to the Chief Compliance Officer in accordance with the Code of Ethics and personal trading is continually monitored in order to reasonably prevent conflicts of interest between EVC and its clients.

**Principal and Cross Transactions:** It is EVC's policy that it will not effect any principal or agency cross securities transactions for client accounts.

### **Recommend Securities with Material Financial Interest**

At our firm, it is very common for an employee to buy or sell securities for itself that it transacts for clients. When available and appropriate, principal officers and employees participate in the same block trades as our clients.

### **Invest in Same Securities Recommended to Clients**

Though many of the securities owned by our clients are also owned by our principals and employees, the principals and employees may also place trades in securities currently owned by our clients outside of the block trades so long as it does not conflict with our code of ethics and does not significantly impact any clients' holding or transaction of that particular security.

### **Personal Trading Policies**

Potential conflicts of interest for both situations may include a principal, employee, or client holding a higher or lower dollar amount or percentage of account size from others (greater or less exposure) or no exposure at all. When an employee or principal buys or sells a security outside

of a block trade particularly on days after the block trade with the clients is executed, the commissions and fees or security's price may be higher or lower than the client's transacted price.

## Item 12 – Brokerage Practices

---

### Selecting Brokerage Firms

Eidelman Virant Capital has the authority given by our clients to determine without obtaining specific client consent, the securities to be bought and sold, the amount of securities to be bought and sold, the broker or dealer to be used, and the commission rates paid. It is in our firm and clients' best interest to seek out the best value when placing trades. Therefore, Eidelman Virant Capital seeks best execution for all transactions. When evaluating best execution, we examine the quality and range of broker's services, including commission rate, access to liquidity, skill of traders, robustness of trading platform, size of the security, knowledge of the security, market impact, timing of the trade, research and other factors.

Many of the brokers that we use provide us valuable services including access to their analysts, research reports, recommendations and liquidity in certain securities which help our firm and clients get access to those investments. At times, the outright commissions or fees we pay may not be the lowest available or perhaps give us the most favorable execution. However, we believe that pricing and commissions paid are commensurate with the services received by EVC in order to add value to our clients' portfolios. The determinative factor is not the lowest possible commission cost, but whether the transaction represents best qualitative execution under the circumstances. Under the guidance of the Chief Compliance Officer, EVC evaluates the trade performance and best execution of all approved broker-dealers.

### Research and Soft Dollars

In allocating brokerage and order flow, EVC considers the receipt of research and brokerage services, consistent with its obligation to seek best execution for client transactions and does receive research services including economic and financial data and research databases and reports from certain brokers. As permitted by Section 28(e) of the Securities Exchange Act of 1934, EVC may cause its clients to pay a broker that provides research and brokerage services an amount of commission in excess of the amount other brokers would have charged for the transaction if EVC determines that the greater commission is reasonable in relation to the value of services provided by the executing broker.

The term "brokerage and research services" includes advice as to the value of the securities; the advisability of investing in, purchasing or selling securities, and the availability of securities or purchasers or sellers of securities; furnishing analyses and reports concerning issuers, industries, securities, economic factors and trends, portfolio strategy and the performance of accounts; and effecting securities transactions and performing incidental functions such as clearance and settlement.



EVC uses brokerage commissions from client portfolio transactions to acquire brokerage and research services, subject to EVC's obligation to seek best execution for its client accounts. The products and services acquired by EVC include, but are not necessarily limited to, brokerage research, conferences, access to analysts, etc. These arrangements are intended to comply with Section 28(e) and the SEC's related interpretive guidance. EVC will not cause its clients to use trade commissions for purposes other than for eligible brokerage and research services. In determining whether a service or product qualifies as brokerage and research services under Section 28(e), EVC evaluates whether the service or product provides lawful and appropriate assistance in carrying out its investment decision making responsibilities for the benefit of all client accounts. EVC presently does not acquire services which have a mixed use.

At this time EVC does not utilize brokerage commissions from client portfolio transactions to acquire any third-party research and brokerage products or services.

When we use client brokerage commissions to obtain research or other products or services, we receive a benefit, because we do not have to produce or pay for the research products or services, though principals and employees typically participate in the client block trades and are subject to the same fees and commissions. The firm also has an incentive to select or recommend a broker based on its interest in receiving the research or other products or services, rather than on its clients' interest in receiving most favorable execution. EVC will only choose such broker-dealers when the execution complies with the principles of best execution.

Additionally, EVC utilizes soft dollar benefits to service all accounts and does not seek to allocate soft dollar benefits to client accounts proportionately to the soft dollar credits the accounts generate.

### **Brokerage for Client Referrals**

EVC, its employees and related persons do not receive client referrals from any other parties as a result of selecting or recommending broker-dealers.

### **Directed Brokerage**

Though not all advisers require their clients to direct brokerage, EVC may recommend that clients establish brokerage accounts with the Schwab Institutional division of Charles Schwab & Co., Inc. ("Schwab Institutional") to maintain custody of clients' assets and, in most cases, to effect trades for their accounts. Schwab Institutional provides EVC with access to its institutional trading and operations services, which are typically not available to Schwab retail investors. In most cases, EVC will effect trades with Schwab Institutional for client accounts that are also held in custody there. However, EVC is not required to do so. From time to time, when EVC believes it is in the best interest of its clients, it may trade "away" for these accounts through one or more other brokers. In such cases, EVC and its clients will continue to benefit indirectly from the other services of Schwab Institutional as described in this section, even when such trades do not generate commission for Schwab Institutional. These services generally are available to independent investment advisors at no charge to them so long as a total of at least \$10 million of the advisor's clients' account assets are maintained at Schwab Institutional. Schwab Institutional's



services include research, brokerage, custody, access to mutual funds and other investments that are otherwise available only to institutional investors or would require a significantly higher minimum initial investment. We keep our clients' best interests at heart but we are required to tell you that we may have an incentive to select or recommend a broker-dealer based upon our interest in receiving the research or other products or services, rather than on our clients' interests in receiving most favorable execution.

Schwab Institutional also makes other products and services available that benefit EVC but may not benefit its clients' accounts. Some of these other products and services assist EVC in managing and administering clients' accounts. These include software and other technology that provide access to client account data (such as trade confirmations and account statements), facilitate trade execution (and allocation of aggregated trade orders for multiple client accounts), provide research, pricing information and other market data, facilitate payment of Eidelman Virant Capital fees from its clients' accounts and assist with back-office support, recordkeeping and client reporting. Many of these services generally may not be used to service all or a substantial number of EVC's accounts, including accounts not maintained at Schwab Institutional. Schwab Institutional may also provide EVC with other services intended to help EVC manage and further develop its business enterprise. These services may include consulting, publications, and presentations on practice management, information technology, business succession, regulatory compliance, and marketing. In addition, Schwab may make available, arrange and/or pay for these types of services to EVC by independent third parties. By directing brokerage, we may be unable to achieve most favorable execution of client transactions, and this practice may cost client more money. Schwab Institutional may discount or waive fees it would otherwise charge for some of these services or pay all or a part of the fees of a third-party providing these services to EVC.

We do permit clients to direct brokers at their request. If/when that is the case, we may be unable to achieve the most favorable execution of client transactions and directing brokerage may cost the client more money. For example, in a directed brokerage account, the client may pay higher brokerage commissions because we may not be able to aggregate orders to reduce transaction costs, liquidity of a security, or the client may receive less favorable prices.

### **Order Aggregation, Allocation and Rotation**

Eidelman Virant Capital has the authority to determine, on behalf of our clients, various securities and the amount to be bought and sold. Decisions are made keeping under consideration each individual client's objectives and constraints. Eidelman Virant Capital does not provide custody or brokerage services; therefore, we use a network of brokers with which we place orders. In selecting brokers or dealers to execute transactions, we will not solicit competitive bids, and do not have an obligation to seek the lowest available commission rates.

EVC has adopted trade allocation policies that are intended to ensure that all trades are undertaken and, where necessary, allocated to clients in a manner that fulfills EVC's fiduciary obligations to each client. The objective of EVC is to allocate trades in a manner believed to be fair and equitable for all accounts involved.

Block or bunched trading occurs when it is in the best interest of our clients, consistent with our duty to obtain best execution, and consistent with the terms of the client agreement. Reasons for aggregating brokerage orders for its clients rather than executing individual transactions for each account include: (1) obtaining lower commission rates; (2) avoiding the time and expense of simultaneously entering similar orders for multiple Client accounts that are managed similarly; (3) ensuring that accounts managed in a particular style obtain the same execution, when possible, to minimize differences in performance; and (4) obtaining a better execution price even though the commission rate may be higher than the lowest rate otherwise available. The terms for the transaction apply equally to each participating client, principal, and employee involved in the block. The price of the securities purchased or sold in a bunched transaction should be at the average price for all applicable security transactions on that given day, with all transaction costs shared on a pro rata basis by all participating clients and employees. The allocation of securities purchased or sold in a bunched trade must be made in accordance with our allocation procedures.

In the event an aggregated order is only partially filled, the order will, generally, be allocated among the participating accounts based on the percent of cash in the participating accounts relative to the target cash percent. In this manner, partially filled buy orders will typically be allocated first to accounts whose cash percentages are the highest relative to the target cash percent and partially filled sell orders to accounts whose cash percentages are the lowest relative to the target cash percent. Subsequent orders for partially filled positions will then typically continue until all participating accounts are filled. However, it is EVC's policy that the allocation shall be made in the best interests of all the clients in the block order, taking into account all relevant factors, including, but not limited to, the size of each client's allocation, clients' liquidity needs and previous allocations which may and sometimes does result in an account receiving an allocation smaller or larger than the pre-allocated percentages.

## Item 13 – Review of Accounts

---

### Periodic Reviews

Edelman Virant Capital frequently reviews each client portfolio monthly and often daily. At least quarterly, accounts are comprehensively reviewed. The review includes, but is not limited to, portfolio positions, cash balances, performance, recent client events, portfolio and client constraints, tax considerations, and other factors specific to the client and account. A majority of the reviews are completed by Tom Edelman President & Portfolio Manager, Ben Weiss Portfolio Manager, John Virant Portfolio Manager, David Edelman Portfolio Manager, and Stanley Finger Portfolio Manager.

### Review Triggers

Specific reviews also may be triggered by investment performance that deviates from the expected volatility or performance under current market conditions, or a broad-based change in the financial markets.

## Regular Reports

A quarterly report is sent to the client showing the holdings of their portfolio, the acquisition date, quantity, cost, current price, percentage of portfolio, gain/loss information for each asset in the portfolio, and other information. Also shown are the beginning/ending asset value, net additions/withdrawals, realized/unrealized gains/losses, and management fees for the current period. These reports are generated by our portfolio management systems. We urge clients to compare the account statements they receive from their custodian with those they receive from Eidelman Virant Capital. Partnership investors receive reporting, audited financial statements, and K-1s as described in each fund's offering documents.

# Item 14 – Client Referrals and Other Compensation

---

## Economic Benefits

Neither EVC nor any of its employees are compensated by an independent third party in any way for providing investment advice or other advisory services to EVC clients. EVC and its employees are not party to any sales awards or other prize programs. EVC's only compensation for providing investment advisory services to its clients is the management and performance fees described in the section entitled "Fees and Compensation" above.

## Third Party Solicitors

EVC does not presently compensate any third parties for client referrals.

# Item 15 – Custody

---

## Account Statements

EVC does not maintain physical possession of client cash and/or securities. However, pursuant to Rule 206(4)-2 of the Advisers Act, EVC is deemed to have custody of a clients' funds or securities when the clients authorize us to deduct our management fees directly from the client's account. A qualified custodian (generally a broker-dealer, bank, trust company, or other financial institution) holds clients' funds and securities. The SEC has set forth a set of rules intended to protect client assets in such situations, which we follow.

Generally, clients will receive statements directly from their qualified custodian at least quarterly. The statements will reflect the client's funds and securities held with the qualified custodian as well as any transactions that occurred in the account, including the deduction of EVC'S fee. Clients should carefully review the account statements they receive from their qualified custodian. When clients receive statements from EVC as well as from the qualified custodian, clients should compare these two reports carefully. Clients with any questions about their statements should

contact EVC at the address or phone number on the cover of this brochure. Clients who do not receive their statement from their qualified custodian at least quarterly should also notify EVC.

EVC is also deemed to have custody of clients' funds when clients have executed standing letters of authorization with their custodian to move money from a client's account to a third-party ("SLOA") and under that SLOA, authorize us to designate the amount or timing of transfers with the custodian. EVC has implemented procedures to meet the specific conditions as stated in the SEC's no action letter under which the obligation to obtain a surprise examination is waived.

EVC is also deemed to have custody of the Partnerships' assets for which it or a related person serves as General Partner. As such, we have instituted a set of controls to safeguard those client assets which includes an annual financial statement audit by an independent public accountant that is registered with, and subject to regular inspection by, the PCAOB. Annual financial statements are prepared in accordance with generally accepted accounting principles and are distributed to investors within 120 days of the end of the fiscal year. Each investor should carefully review these statements upon receipt. The assets of the Partnerships are maintained with Interactive Brokers, Charles Schwab, and Millennium Trust Company.

As a matter of policy and practice, EVC does not permit employees or the firm to accept or maintain custody of client assets other than as identified above.

## Item 16 – Investment Discretion

---

### Discretionary Authority for Trading

Eidelman Virant Capital typically accepts discretionary authority to manage securities accounts on behalf of clients. Clients however may place certain limitations such as wanting to buy, hold, or sell certain securities, minimize capital gains & losses, avoid or concentrate certain market sectors or capitalizations, invest at a higher or lower exposure than our typical client, and others.

### Limited Power of Attorney

Before we assume discretionary authority, clients must sign our advisory agreement in the section that gives us the discretionary authority. Also, most custodians have a section on their new account paperwork which grants us discretionary authority as well. Without a client signature in that area, the custodians generally will not let us exercise the discretionary authority although they have signed our investment agreement. It is a double-check of sorts.

## Item 17 – Voting Client Securities

---

### Proxy Voting

We have and accept authority to vote client securities. Most of the time, we vote in line with the managements recommendations unless we determine that it is not in the best interest of our clients to do so. If a conflict of interest comes up when voting client securities, we may choose

from the following options: 1) obtain approval from the client prior to voting; 2) establish a pre-determined voting policy for all future voting; 3) request that the client appoint a third party who would determine how the voting should be handled. Clients may obtain information on how we voted their securities, and or receive a copy of our proxy voting policies and procedures upon request by email sent to [tom@eidelmanvirant.com](mailto:tom@eidelmanvirant.com), or by calling us at 314-727-9686.

## Item 18 – Financial Information

---

### **Prepayment of Fees**

EVC does not require or solicit prepayment of more than \$1,200 in fees per client, six months or more in advance.

### **Financial Condition**

EVC does not have any financial condition that would impair its ability to meet its contractual commitments to clients.

### **Bankruptcy**

EVC has never been the subject of a bankruptcy petition.

---