

FIRM BROCHURE

AWH CAPITAL, L.P.

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This brochure provides information about the qualifications and business practices of AWH Capital, L.P. If you have any questions about the information contained in this brochure, please contact us at (214) 462-9100. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission (the “SEC”) or by any state securities authority.

This brochure does not constitute an offer, solicitation or recommendation to sell or an offer to buy any securities, investment products or investment advisory services. Such an offer may only be made to eligible persons by means of delivery of an offering memorandum and governing documents that contain the material terms relating to such investment, products or services.

Additional information about AWH Capital, L.P. also is available on the SEC’s website at www.adviserinfo.sec.gov.

March 31, 2021

Item 2: Material Changes

The date of the last annual updating amendment to our firm brochure was March 30, 2020. A summary of certain of the material changes that have been made to our firm brochure since the date of our last annual updating amendment is set forth below:

- We updated our regulatory assets under management as of December 31, 2020. **See Item 4.**
- We made various additions, revisions and updates to the risk factor disclosures set forth in Item 8 regarding, among other things, short selling and general disclosures regarding the current economic and political environment. **See Item 8**, Methods of Analysis, Investment Strategies and Risk of Loss.

The information set forth in this brochure is qualified in its entirety by the applicable offering and/or governing documents. In the event of a conflict between the information set forth in this brochure and the information in the applicable offering and/or governing documents, such documents will control.

We encourage all clients and investors to carefully review this document in its entirety.

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Item 4: Advisory Business

FIRM DESCRIPTION

AWH Capital, L.P. (“AWH Capital”), a Delaware limited partnership and private investment advisory firm, was formed in 2002. We provide investment management and other services solely with respect to an affiliated private pooled investment vehicle (the “Fund”), and have full discretionary authority with respect to its investment decisions. Our investment advisory services are provided in accordance with the investment objectives and guidelines set forth in the Fund’s offering and governing documents. The information set forth in this brochure is qualified in its entirety by the Fund’s offering and governing documents.

PRINCIPAL OWNERS

The general partner of AWH Capital is AWH Investment Management, LLC, a Delaware limited liability company, which is owned and controlled by Austin W. Hopper. Mr. Hopper also is a limited partner of AWH Capital.

TYPES OF ADVISORY SERVICES

We serve as general partner of, and investment manager to, the Fund, and the Fund is our sole advisory client. We are responsible for investing and re-investing the capital of the Fund in securities, financial instruments and/or other assets in accordance with the investment objectives, policies and guidelines set forth in the Fund’s offering and governing documents. **See Item 8 below.**

We tailor our advisory services to the individual needs of the Fund, and investors generally are not permitted to impose restrictions on investments in certain securities or types of securities.

ASSETS UNDER MANAGEMENT

As of December 31, 2020, we had approximately \$151.3 million in regulatory assets under management. All of these assets were managed on a discretionary basis.

Item 5: Fees and Compensation

DESCRIPTION OF COMPENSATION AND FEE SCHEDULE

In consideration of our advisory services, we generally receive management fees and performance allocations with respect to the Fund. While our fees are described in detail in the Fund's governing and offering documents, a brief summary of our advisory fees is set forth below.

We are entitled to receive from the Fund an annual management fee, payable on the first day of each calendar quarter in advance, equal to 0.25% (1% per annum) of the capital account balance of each limited partner, determined as of the first day of such calendar quarter.

In addition, we generally are entitled to receive an annual performance allocation equal to twenty percent (20%) of the net profits (subject to certain adjustments and limitations) allocated to the capital account of each limited partner for the applicable fiscal year. Performance allocations are subject to a "high water mark" limitation with respect to each investor. As a result, after the first year in which a performance allocation is earned, the performance allocation for later years applies only to the extent that an investor's *pro rata* share of net profits, measured on a cumulative basis, for all years since admission exceeds the highest level of cumulative net profits achieved through the close of any prior year since admission.

Each investor in the Fund generally is required to represent that it is a "qualified client" as such term is defined in Rule 205-3 under the Investment Advisers Act of 1940, as amended (the "Advisers Act"); *provided* that we may waive the performance allocation with respect to an investor who does not qualify as a "qualified client."

Our advisory fees with respect to the Fund and each investor generally are not negotiable.

PAYMENT OF FEES

Management fees are payable by investors quarterly, in advance, as of the first day of each calendar quarter. Management fees are deducted directly from the capital account of each limited partner. In the event that the Fund is dissolved, a limited partner withdraws or our advisory services are terminated prior to the end of any calendar quarter, then an amount equal to the *pro rata* portion of the management fee, based on the actual number of days remaining in such quarter, will be refunded to the applicable limited partner(s). Management fees are also prorated with respect to capital contributions made by investors during a calendar quarter.

Performance allocations are calculated and allocated as of the end of each fiscal year (and at such other times as set forth in the partnership agreement of the Fund). Performance allocations are re-allocated directly from the capital account of each limited partner to our capital account.

OTHER FEES AND EXPENSES

In addition to management fees and performance allocations, the Fund generally bears all costs and expenses relating to the Fund's activities, including but not limited to (i) the costs, expenses or charges incurred by the Fund, directly or indirectly, in connection with its investment and trading activities, including without limitation, brokerage commissions, mark-ups, margin interest and other transaction costs to brokers; (ii) accounting, auditing, appraisal, consulting and legal fees and expenses, including for litigation and preparation of the Fund's financial statements and reports, tax returns and Schedule K-1s; (iii) any taxes, fees or other governmental charges levied against the Fund; (iv) interest on and fees and expenses arising out of all borrowings made by the Fund; (v) organizational costs; (vi) expenses of the meetings of limited partners, if any; and (vii) the costs of any litigation and indemnification relating to the affairs of the Fund. The Fund generally is responsible for and pays all brokerage and custodial fees. **See Item 12 below.**

WITHDRAWALS

Subject to the terms and conditions set forth in the Fund's governing documents, a limited partner generally may make a complete or partial withdrawal of amounts from a capital account maintained on its behalf as of the close of business on each calendar quarter; *provided* that such withdrawal date is at least twelve months after such capital account was established. Notwithstanding the foregoing, we may disallow a partial withdrawal if, after giving effect to such withdrawal, that limited partner would not have an aggregate capital account balance of at least \$250,000 thereafter (subject to reduction or waiver by us). Notice of any withdrawal generally must be given to us in writing at least thirty (30) days prior to the proposed withdrawal date; *provided, however*, we may waive such notice requirement in our

discretion. At least ninety-five percent (95%) of the estimated withdrawal proceeds normally will be settled in cash or, subject to our sole discretion, wholly or partially with securities or other assets of the Fund, whether readily or not readily marketable, within ten (10) business days after the applicable withdrawal date. Any remaining balance generally will be settled promptly following completion of the audit of the Fund's financial statements for the applicable fiscal year.

Performance allocations with respect to the Fund are calculated as of the date of withdrawal with respect to any limited partner permitted or required to withdraw as of any time other than the close of a performance period on the basis of a proportion of net profits allocated to such limited partner's capital account through the withdrawal date.

COMPENSATION FOR THE SALE OF SECURITIES OR OTHER INVESTMENT PRODUCTS

Neither we nor any of our supervised persons accept compensation for the sale of securities or other investment products.

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

PERFORMANCE-BASED FEES

As noted under Item 5 above, we generally are entitled to receive performance allocations with respect to the Fund. Performance allocations could motivate us to make investment decisions that are riskier or more speculative than would be the case if these arrangements were not in effect. Our individual employees and affiliates who are compensated to some extent based upon trading profits for which they are responsible face the same potential conflict. Because the performance allocation is calculated on a basis that includes unrealized appreciation in the Fund's portfolio based upon values assigned by us, we face a conflict of interest in valuing the Fund's portfolio. We address these conflicts through full and fair disclosure in the Fund's offering documents and this brochure.

Item 7: Types of Clients

DESCRIPTION

We provide investment advisory and supervisory services solely to an affiliated private investment fund. The Fund has various types of investors, including, but not limited to, trusts, family offices, natural persons, fund of funds, individual retirement accounts and other entities.

ACCOUNT REQUIREMENTS

The minimum initial capital contribution generally required from an investor in the Fund is \$250,000, although capital contributions of lesser amounts may be accepted in our discretion.

Each investor in the Fund generally is required to represent that it is, among other things, an “accredited investor,” as such term is defined in Rule 501(a) of Regulation D under the Securities Act of 1933, as amended (the “Securities Act”), and a “qualified client” as such term is defined in Rule 205-3 under the Advisers Act.

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

METHODS OF ANALYSIS AND INVESTMENT STRATEGIES

The primary investment objective of the Fund is to achieve capital appreciation by establishing long and short positions in the equity securities of domestic and foreign issuers. To achieve the Fund's investment objective, we focus primarily on investments in small capitalization issuers, which we believe offer the greatest potential for capital appreciation.

We invest the Fund's assets primarily in the equity securities (including, common stocks, preferred stocks, warrants and convertible securities) of both domestic and foreign issuers. We may also sell short certain equity securities (i) that we believe are overvalued and/or (ii) to diversify risk. Generally, the Fund invests in securities that are purchased and sold on national securities exchanges or over-the-counter markets, but it may, from time to time, purchase or sell securities of private companies in private transactions. As a general rule, no more than five percent (5%) of the Fund's assets are invested in securities of private companies.

We identify investment opportunities by utilizing a flexible approach consisting of fundamental research and analysis. This approach focuses on searching for new ideas, gathering information, performing analysis and monitoring the Fund's investments. We search for new ideas by interacting with and/or monitoring various information sources, including industry sources, such as senior industry executives and industry publications, quantitative and qualitative screening services and our contacts within the investment community.

Once an investment is made by the Fund, we monitor the Fund's investment by communicating with key contacts as outlined above, evaluating ongoing and pertinent news developments, participating in quarterly conference calls held by portfolio companies, as well as by comparable companies, and maintaining relevant financial models.

For a more detailed description of the investment strategies of the Fund, please review the offering document of the Fund. The foregoing summary is qualified in its entirety by the information contained in the Fund's offering documents.

CERTAIN RISK FACTORS

There can be no assurance that the Fund will achieve its investment objectives. The Fund's investment strategies will involve a substantial degree of risk, including risk of complete loss. Nothing in this brochure is intended to imply, and no one is or will be authorized to represent, that an investment in the Fund will be low risk or risk free. The investment strategies and programs of the Fund are appropriate only for sophisticated persons who fully understand and will be capable of bearing the risks of investment. Prospective investors should consider the following risks, among others, before making any investment decisions. The various risks outlined below are not the only risks associated with the Fund. The following risks are qualified in their entirety by the risks set forth in the Fund's offering documents.

General Economic and Market Conditions. The success of the Fund's activities will be affected by and subject to general economic and market conditions, such as changes in interest rates, availability of credit and debt-related issues, inflation rates, commodity prices, economic uncertainty, changes in laws (including laws relating to taxation of the Fund's investments), trade barriers, unemployment rates, release of economic data, trade wars, tariffs, protectionist regulatory policies, currency exchange controls and national and international political circumstances and developments (e.g., "Brexit" and the terms and timing thereof) and other circumstances (including wars, epidemics and pandemics, terrorist acts, security operations and natural disasters), as well as changes in government policy precipitated by the foregoing. These and other factors may affect the level and volatility of securities prices, the correlations and relationships between the prices of various securities and the liquidity of the Fund's investments. Volatility and/or illiquidity could impair the Fund's profitability or result in losses. Unpredictable or unstable market conditions may also result in reduced opportunities to find suitable investments to deploy capital or make it more difficult to exit and realize value from the Fund's investments. From time to time, including recently amidst the COVID-19 global pandemic and during 2008 and 2009, various markets around the world have experienced extreme periods of volatility, illiquidity, correlation with other markets, negative (or positive) performance and other disruptions and conditions that would previously have been viewed as extremely unlikely or even impossible. Such market developments have led to large losses and insolvencies at numerous investment funds soon thereafter. For example, during the second half of 2008, the state of the worldwide economy deteriorated into a severe recession. A similar or even more severe economic recession (or depression) could result or occur from the global response to, and as a result of, the COVID-19 global pandemic. If so, or if a similar economic situation were to occur in the future, the

Fund could experience a reduction in attractive investment opportunities and the Fund's investments could be materially impaired in many ways that cannot be predicted.

There can be no assurance that general market developments in the future will not have a material adverse effect on the Fund. The Fund could incur material losses even if we react quickly to difficult market conditions, and there can be no assurance that the Fund will not suffer material losses and other adverse effects from broad and rapid changes in economic and market conditions in the future. Investors in the Fund should realize that markets for the financial instruments in which such Fund seeks to invest can correlate strongly with each other (or cease to correlate) at times or in ways that are difficult for us to predict. Even a well-analyzed approach may not protect the Fund from significant losses under certain market conditions.

The particular or general types of market conditions in which the Fund may incur losses or experience unexpected performance volatility cannot be predicted, and the Fund may materially underperform other investment funds with substantially similar investment objectives and approaches.

Epidemics, Pandemics, Outbreaks of Disease and Public Health Issues. Our operations and business activities as well as those of the Fund could be materially adversely affected or impacted in the future by the continuation or worsening of the COVID-19 global pandemic and other outbreaks of disease, epidemics, pandemics and public health issues, whether globally or limited to particular regions of the world, such as diseases or public health issues caused by other novel coronaviruses (including as a result of the emergence of new coronaviruses), Ebola virus disease, H1N1 flu, H7N9 flu, H5N1 flu (and other types or subtypes of influenza viruses), Severe Acute Respiratory Syndrome, or SARS, or other epidemics, pandemics, outbreaks of disease or public health issues. In particular, coronavirus disease 2019 (or COVID-19), an infectious disease caused by Severe Acute Respiratory Syndrome coronavirus 2 (SARS-CoV-2), was first identified in December 2019 and has since spread rapidly globally, resulting in an ongoing global pandemic. The COVID-19 global pandemic has severely and materially affected (and may continue to negatively affect and materially impact) the global economy, global equity markets and supply chains (including as a result of quarantines, shelter-in-place orders, social-distancing measures and other government-directed or mandated measures or actions to stop or slow the spread of SARS-CoV-2 and COVID-19). Although the short-term and long-term effects and consequences of COVID-19 (and the actions and measures taken or mandated by governments around the world to halt or slow down the spread of SARS-CoV-2 and COVID-19) cannot currently be predicted, previous occurrences of other epidemics, pandemics and outbreaks of disease, such as the 1918 influenza pandemic (also referred to as the Spanish flu pandemic) and the 2002-2004 SARS outbreak in Asia, had material adverse effects on the economies, capital markets and basic day-to-day operations of (and activities in) those countries and jurisdictions in which they were most prevalent. Recent efforts, actions and measures undertaken by governments, businesses and communities to protect the public health in the face of the COVID-19 pandemic (including measures designed or intended to "flatten the curve" and protect the healthcare systems in such applicable countries and jurisdictions from collapse or undergoing significant breakdowns) have resulted in partial or complete shutdowns of many sectors of the economy generally as well as severe restrictions, limitations and consequences on the means by which we operate our business (e.g., travel restrictions or bans, mandatory quarantines, shelter-in-place orders and social distancing measures and rules), which could adversely affect or negatively impact our business, activities, financial condition, and operations as well as those of the Fund indefinitely. If and to the extent the economy and businesses begin to reopen and are allowed to resume operations or activities and people begin to return to more frequent personal or social interactions, there is a risk of recurrence of an outbreak of COVID-19, and such a recurrence or emergence of any kind of epidemic, pandemic, outbreak of disease or major public health issue could cause another slowdown or shutdown in the levels of economic activity and business activities and operations generally, or push the world or local economies into recession or depression, which could adversely affect and materially impact us and the Fund.

The impact of a health crisis such as the COVID-19 pandemic, and other epidemics, pandemics and outbreaks of disease that may arise in the future, depends on the duration and spread of the outbreak, the severity, the actions to contain, slow down or halt the spread of the virus or treat its impact, and how quickly and to what extent normal or semi-normal economic and operating conditions can resume, which could affect the global economy in ways that cannot necessarily be foreseen at the present time. A health crisis may exacerbate other pre-existing political, social and economic risks. Any such impact could adversely affect the Fund's performance, resulting in losses their investors.

The COVID-19 pandemic and actions, measures and steps taken by governments around the world in response to such pandemic may cause material disruptions to (or otherwise materially impact or affect) the business operations and activities of service providers on which we and the Fund rely (including their administrator, custodians and counterparties). It may also adversely impact the Fund's investments, our ability to access markets or implement the

Fund's investment strategies in the manner originally contemplated, the Fund's net asset value and therefore the investors in such Fund.

Potential for Fraud. In spite of our efforts to invest in reputable and trustworthy companies, there is a risk that the Fund may invest in issuers that engage in fraud. As past ponzi schemes involving Bernie Madoff and Allen Stanford have shown, instances of fraud can be particularly difficult to detect and prevent. To the extent that the Fund invests a company that engages in fraud, the Fund could lose all or a substantial portion of its investment in such company, and it could have a material adverse effect on the Fund's financial condition and results of operations. The risk of fraud may be heightened or increased as a result of the current and ongoing COVID-19 global pandemic.

Terrorist Attacks, War and Natural Disasters. Terrorist activities, anti-terrorist efforts, other armed conflicts involving the United States or its interests abroad and natural disasters (including outbreaks of disease, pandemics, epidemics and other public health issues) may adversely affect the United States, its financial markets and global economies and markets and could prevent us and the Fund from meeting our respective investment objectives and other obligations. The potential for future terrorist attacks, the national and international response to terrorist attacks, other acts of war or hostility, natural disasters, outbreaks of disease, pandemics, epidemics and other public health issues may create economic and political uncertainties, which may adversely affect the United States and world financial markets and the Fund for the short or long-term in ways that cannot presently be predicted.

Force Majeure Risks. Force majeure is the term generally used to refer to an event beyond the control of the party claiming that the event has occurred, including acts of God, fire, flood, weather, earthquakes, war, terrorism, labor strikes, outbreaks of disease and potentially other events or occurrences. Force majeure events in the United States and elsewhere in the world may adversely affect our ability or the ability of parties with whom we do business to perform our or their respective obligations, under a contract or otherwise. In addition, dealing with any force majeure event will divert our time and effort, and the cost of repairing or replacing damaged assets could be considerable. Repeated or prolonged service interruptions may result in permanent loss of customers, substantial litigation, or penalties for regulatory or contractual non-compliance. In some cases, project agreements can be terminated if the force majeure event is so catastrophic as to render it incapable of remedy within a reasonable, pre-agreed time period. Force majeure events that are impossible or costly to cure may also have a permanent adverse effect on the Fund or their investments, and the Fund's potential returns would be diminished as a result.

Geopolitical Risks. An unstable geopolitical climate and continued threats of terrorism could have a material effect on general economic conditions, market conditions and market liquidity. The continued threat of terrorism and the impact of military or other action have led to and will likely lead to increased volatility in prices for oil and gasoline and could affect certain investments financial results. Further, the United States government has issued public warnings indicating that energy assets might be specific targets of terrorist organizations. As a result of such a terrorist attack or of terrorist activities in general, such investments may not be able to obtain insurance coverage and other endorsements at commercially reasonable prices or at all. Additionally, a serious pandemic or a natural disaster could severely disrupt the global, national and/or regional economies. A resulting negative impact on economic fundamentals and consumer confidence may increase the risk of default with respect to particular investments of the Fund, negatively impact market value, increase market volatility and cause credit spreads to widen and reduce liquidity, all of which could have an adverse effect on the Fund's returns and ability to make new investments. No assurance can be given as to the effect of these events on the value of or markets for investments.

Governmental Intervention. In 2008 and thereafter, the global financial markets underwent significant disruptions that led to significant governmental interventions and actions. The COVID-19 global pandemic has recently led to, and is likely to continue to result in or lead to, significant (and in certain cases unprecedented) governmental interventions both in the United States and abroad. Such interventions have been and may be implemented on an "emergency" basis, with little advance notice, thereby substantially reducing or eliminating market participants' ability to anticipate or react to such interventions, to implement certain investment strategies or to manage the risk of outstanding positions. In addition, these interventions have been and may be unclear in scope and application, resulting in confusion and uncertainty, which in itself can be materially detrimental to the efficient functioning of the markets or the economy or the Fund's investment strategies. If governmental intervention programs or actions are unwound, there could likewise be uncertainty and adverse effects on the markets and economy and the Fund's investment strategies. In the case of any future market disruptions, significant economic events, pandemics or other health events, or other events or circumstances, it is impossible to predict what interim or permanent governmental interventions, restrictions (or easing of restrictions) or other actions may be imposed on the markets or the economy or the effect of such actions on the

Fund's activities and investment strategies. For all of the foregoing reasons, among others, governmental interventions and other actions could have a material adverse effect on the Fund.

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

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

Equity Risks. The Fund invests primarily in equity and equity-linked securities. The value of these securities generally will vary with the performance of the issuer and movements in the broader equity markets. As a result, the Fund may suffer losses if it invests in equity securities of issuers whose performance diverges from our expectations or if equity markets generally move in a single direction and the Fund has not hedged against such a general move. The Fund also may be exposed to risks that issuers will not fulfill contractual obligations such as, in the case of convertible securities or private placements, delivering marketable common stock upon conversions of convertible securities and registering restricted securities for public resale.

Short Selling. In certain circumstances, the Fund may make short sales. In a short sale, the seller sells a security that it does not own, typically a security borrowed from a broker or other counterparty. Because the seller remains liable to return the underlying security that it borrowed from the broker or counterparty, the seller must purchase the security prior to the date on which delivery to the broker or dealer is required. The making of short sales exposes the Fund to the risk of liability for the market value of the security that is sold, which is an unlimited risk in theory due to the lack of an upper limit on the price to which a security may rise. In addition, there can be no assurance that securities necessary to cover a short position will be available for purchase or that securities will be available for the Fund to borrow at reasonable costs. If a request for a return of borrowed securities occurs at a time when other short sellers of the security are receiving similar requests, a "short squeeze" can occur, in which case the Fund may be compelled to replace borrowed securities previously sold short with purchases on the open market at the most disadvantageous time, possibly at prices significantly in excess of the proceeds received in originally selling the securities short. A significant "short squeeze" event occurred in January 2021 with respect to the securities of GameStop Corp (GME), where retail investors utilized Robinhood and other popular commission-free trading platforms and social media platforms to execute a "short squeeze" strategy aimed at destroying the short sale efforts of prominent hedge funds and other institutional investors who were attempting to profit from the demise of GameStop stock. The efforts of these retail investors pushed the price of GameStop stock to record levels in a very short period of time, and many hedge funds and other investors lost billions of dollars as they were forced to close out their short positions on GameStop stock in connection with the short squeeze. This situation is likely to reoccur in the future, as social media and popular commission free trading platforms have made it easier for a large number of retail investors to band together and cause disruptions in the trading strategies of hedge funds and other institutional investors. The recent controversy relating to GameStop may lead to SEC scrutiny and greater regulation of such strategies.

The SEC has in the past adopted interim rules requiring reporting of all short positions above a certain *de minimis* threshold and may adopt or enact additional rules requiring public disclosure of short positions in the future. In addition, other non-U.S. jurisdictions where the Fund trades have adopted or may adopt reporting requirements. If the Fund's short positions or its strategy become generally known, it could have a material or significant effect on our ability to implement or effect the Fund's investment strategies. In particular, it would make it more likely that other investors could cause or lead us into a "short squeeze" in the securities held short by the Fund, forcing the Fund to cover its positions at a loss. Such reporting requirements likely would also limit our ability to access management and other personnel at certain issuers where the Fund seeks to take or establish a short position. In addition, if other investors engage in copycat behavior by taking positions in the same issuers as the Fund, the cost of borrowing securities to sell short could increase significantly and the availability of such securities to the Fund could decrease significantly. The SEC has adopted various restrictions or limitations on the short sale of securities which fall more

than 10% in a given day (referred to as the “circuit breaker” or “modified uptick rule”). The SEC and regulatory authorities in other jurisdictions could adopt (and in certain cases have adopted) bans or restrictions or limitations on short sales of certain securities or short sales with respect to certain issuers in response to significant market events. Restrictions, limits or bans on short selling would make it more difficult for us to execute or effect certain investment strategies and may have a material adverse effect on the Fund’s ability to achieve its investment objectives and generate returns.

Distressed Securities. Certain of the Fund’s assets may be invested in distressed securities. Investments in distressed securities involve acquiring securities of companies that are experiencing significant financial difficulties and of companies that are, or appear likely to become, bankrupt or involved in a debt restructuring or other major capital transaction. Consequently, there is a high degree of risk associated with these investments because such companies may never recover and the value of such investments may be lost.

Concentration. Although we generally attempt to diversify the investments made by the Fund, the Fund’s investments may at times become concentrated in a limited number of investments. If the Fund’s investments become concentrated and one investment performs poorly, this concentration could cause a proportionately greater loss than if a larger number of investments were made, and if such proportionately greater loss occurs, it may adversely impact the overall return on investment realized by the Fund and, ultimately, the limited partners.

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

Use of Leverage. The Fund and certain of the companies in which the Fund may invest may utilize significant leverage. The use of leverage, which exposes the borrower to changes in price at a ratio higher than 1:1 in reference to the amount invested, magnifies both the favorable and the unfavorable effects of price movement in investments. The leveraged capital structures of the Fund and companies in which it makes investments also will increase exposure to adverse economic factors such as rising interest rates, downturns in the economy and/or deterioration in the condition of the company or its industry. Such increased exposure to adverse economic factors may decrease the overall return on investment realized by the Fund, and ultimately the limited partners, from the overall return on investment that may have been realized if leveraged capital structures had not been used by the Fund or the companies in which the Fund makes investments.

Hedging Strategies. We engage primarily in long purchases and short sales of the securities of domestic and foreign issuers. We also engage from time to time in hedging, option trading, leverage (including, but not limited to, margin trading and investing in derivatives) and other strategies. Hedging strategies in general are usually intended to limit or reduce investment risk, but can also be expected to limit or reduce the potential for profit. Trading on margin, short sales and other leveraging strategies can increase the profit potential of a securities portfolio, but concurrently increase the risk of loss. Any of such strategies that we employ should be expected to increase the Fund’s transaction costs, interest expense and other costs and expenses. No assurance can be given that short sales, hedging, leverage and other techniques and strategies will not result in material losses for the Fund.

Investment Selection. The limited partners have no opportunity to select or evaluate any Fund investments or strategies. All Fund investments and strategies are selected by us in our sole discretion. The likelihood that limited partners will realize income or gain depends on our skill and expertise.

Investment Program – Smaller Capitalizations. Although the Fund may invest in companies with market capitalizations of all sizes, we generally invest a significant portion of the Fund’s portfolio in securities of companies with small market capitalizations. We also take short positions in such securities. The securities of such companies may be less actively traded than those of larger companies. For this reason, there can be no assurance that the Fund will be able to buy or sell large positions in such securities over a short period of time. In addition, such securities usually feature greater price volatility than other securities in the broader equity markets. These factors could affect materially and adversely the amount of gain or loss the Fund may realize.

Short Sales. We effect short sales. Short selling is the practice of selling securities that are not owned by the seller, generally when the seller anticipates a decline in the price of the securities or for hedging purposes. To complete a

short sale, the Fund generally must borrow the securities from a third party in order to make delivery to the buyer. The Fund generally is required to pay a brokerage commission that will increase the cost to the Fund of selling such securities. The proceeds of the short sale plus additional cash or securities are generally deposited as collateral with the lender of the securities to the extent necessary to meet margin requirements. The amount of the required deposit is adjusted periodically to reflect any change in the market price of the securities that the Fund is required to return to the lender. The Fund generally is entitled to receive payments from the lender with respect to the short sale proceeds and additional cash on deposit with the lender at negotiated interest rates. The Fund is generally obligated to return securities equivalent to those borrowed at any time on demand of the lender of the securities borrower by purchasing them at the market price at the time of replacement. Until the securities are replaced, the Fund is generally required to pay to the lender amounts equal to any dividends or interest that accrue during the period of the loan of the securities. An increase in the value of any security that is the subject of short selling by the Fund may, as a result of the foregoing, have a material adverse effect on the assets of the Fund, and therefore the return on investment of the Fund.

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

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

Swaps and Similar Contracts. In addition to index contracts and other exchange-traded option contracts, the Fund may invest in over-the-counter contracts that involve dealing with counterparties and their ability to satisfy their obligations under such contracts. Specifically, the Fund may engage in repurchase agreements, forward contracts or swap arrangements, each of which may expose the Fund to credit risks to the extent that any counterparties to such contracts default on their obligations to perform under the relevant contracts.

Derivative Instruments: Counterparty Risk. Some of the markets in which the Fund effects its derivative transactions are “over-the-counter” or “interdealer” markets. The participants in such markets are typically not subject to credit evaluation and regulatory oversight as are members of “exchange-based” markets. This exposes the Fund to the risk that a counterparty will not settle a transaction in accordance with its terms and conditions because of a credit or liquidity problem with the counterparty. Delays in settlement may also result from disputes over the terms of the contract (whether or not bona fide) since such markets may lack the established rules and procedures for swift settlement of disputes among market participants found in “exchange-based” markets. These factors may cause the Fund to suffer a loss due to adverse market movements while replacement transactions are executed or otherwise. Such “counterparty risk” is accentuated for contracts with longer maturities where events may intervene to prevent settlement, or where the Fund has concentrated its transactions with a single or small group of counterparties. These derivative instruments may also be difficult to value accurately. Incorrect valuations could adversely affect one or more limited partners.

Securities Lending and Borrowing. The Fund may also lend securities to broker-dealers and other institutions as a means of earning additional income or borrow securities from broker-dealers or other institutions to cover short positions. If the other party becomes insolvent or bankrupt, the Fund could experience delays and costs in recovering payment or the securities. To the extent that, in the meantime, the value of securities lent changes, the Fund could experience further losses. Security loans must be fully collateralized, and we must be satisfied with the creditworthiness of the other party to the transaction.

Repurchase Agreements. The Fund may also enter into repurchase agreements, by which it buys a security and simultaneously agrees to sell it back later at a higher price, or in reverse repurchase agreements, by which the Fund sells a security and simultaneously agrees to buy it back later at a higher price. The repurchase date is usually within

seven (7) days of the initiation of the agreement. If the other party to a repurchase or reverse repurchase agreement becomes insolvent or bankrupt, the Fund may experience delays and incur costs in recovering payment or the securities. To the extent that the value of the security purchased changes in the meantime, the Fund could experience further losses. Repurchase agreements to which the Fund is a party must be fully collateralized by Fund securities. Repurchase and reverse repurchase agreements can have effects similar to margin trading and other leveraging strategies.

General Risks of Non-U.S. Investments. The Fund invests in securities of non-U.S. companies which involve unusual risks not typically associated with investing in U.S. companies. The Fund may be affected unfavorably by exchange control regulations or changes in the exchange rate between non-U.S. currencies and the U.S. dollar. Moreover, individual non-U.S. economies may differ unfavorably from the U.S. economy in growth of gross national product, rate of inflation, rate of savings and capital reinvestment, resource self-sufficiency and balance of payments positions and in other respects. With respect to some non-U.S. countries, there is the possibility of expropriation or confiscatory taxation, limitations on the removal of funds or other assets of the Fund's accounts, political or social instability or diplomatic developments that could materially and adversely affect the value and marketability of the Fund's investments in those countries.

The securities of non-U.S. issuers held by the Fund generally are not registered under, nor are the issuers thereof subject to the reporting requirements of, the U.S. securities laws and regulations. Accordingly, there may be less publicly available information about the securities and about the non-U.S. company or government issuing them or the non-U.S. board of trade clearing them than is available about a U.S. company, government entity or board of trade. Non-U.S. companies and non-U.S. boards of trade generally are not subject to accounting, auditing and financial reporting standards, practices and requirements comparable to those applicable to U.S. companies. Further, non-U.S. government supervision of stock exchanges, boards of trade, securities brokers and issuers of securities generally is less stringent than supervision in the U.S. The investments also may be subject to withholding taxes imposed by the applicable country's taxing authority.

No Control over Portfolio Issuers. The Fund, from time to time, may acquire substantial positions in the securities of particular companies. Nevertheless, the Fund generally does not obtain representation on the board of directors or any control over the management of any company in which the Fund invests, and the success of each investment depends on the ability and success of the management of the portfolio issuers in addition to economic and market factors.

Risk of Asset Growth. If our assets under management grow significantly, it may adversely affect the Fund's investment performance. The difficulty of investing in a few selected smaller companies increases with the amount of assets that we must invest. In this event, we may find it necessary to invest in a greater number of companies than we currently intend, which could dilute our focus on individual companies, impair our ability to monitor existing and potential investments and result in investments in companies that we would not otherwise select. In addition, with greater assets to invest in the same number of smaller companies, it will be increasingly difficult for the Fund to make investments large enough to be meaningful to its overall portfolio.

Inside Information. We (through our representatives or otherwise) may receive information that would restrict our ability to cause the Fund to buy or sell securities of a company for substantial periods of time when profit could otherwise be realized or loss avoided, which may adversely affect the Fund's flexibility with respect to buying or selling securities.

Cyber Security Breaches and Identity Theft. We, our client and our respective service providers depend on information technology systems and, notwithstanding the diligence that we may perform on such service providers, we may not be in a position to verify the risks or reliability of such information technology systems. We, our client and our respective service providers are subject to risks associated with a breach in cybersecurity. "Cybersecurity" is a generic term used to describe the technology, processes and practices designed to protect networks, systems, computers, programs and data from both intentional cyber-attacks and hacking by other computer users as well as unintentional damage or interruption that, in either case, can result in damage and disruption to hardware and software systems, loss or corruption of data, and/or misappropriation of confidential information. Our, our client's and our service providers' information and technology systems are vulnerable to damage or interruption from computer viruses, network failures, computer and telecommunication failures, infiltration by unauthorized persons and security breaches, usage errors by their respective professionals, power outages and catastrophic events such as fires, tornadoes, floods, hurricanes and earthquakes. Although we and our affiliates have implemented various measures to manage risks relating to these types of events, if these systems are compromised, become inoperable for extended periods of time or cease to function properly, we and/or the Fund may have to make a significant investment to fix or replace them. The failure of these

systems and/or of disaster recovery plans for any reason could cause significant interruptions in our and our client's operations and result in a failure to maintain the security, confidentiality or privacy of sensitive data, including personal information relating to investors (and the beneficial owners of investors). Such a failure could harm our or our client's reputations, subject any such entity and its respective affiliates to legal claims and otherwise affect its business and financial performance. Such damage or interruptions to information technology systems may cause losses to the Fund or individual investors by interfering with our or any affiliates' operations. The Fund may also incur substantial costs as the result of a cybersecurity breach, including those associated with forensic analysis of the origin and scope of the breach, increased and upgraded cybersecurity, identity theft, unauthorized use of proprietary information, litigation, adverse investor reaction, the dissemination of confidential and proprietary information and reputational damage. Any such breach could expose us or the Fund to civil, legal or regulatory liability as well as regulatory inquiry and/or action, and the Fund may be required to indemnify us against any losses incurred in connection therewith. Cybersecurity issues and risks are currently a major focus area of the SEC and other regulatory authorities.

Privacy Law Compliance Risk. Compliance with current and future (i) privacy, data protection and information security laws and (ii) league rules regarding the use and disclosure of confidential information could significantly impact current and planned privacy and information security related practices, the collection, use, sharing, retention and safeguarding of personal data and the Fund's current and planned business activities and as such could increase costs for the Fund or its or our ability to disclose certain investment information to its investors. A failure to comply with such laws, regulations and league rules could result in fines, sanctions or other penalties, which could materially and adversely affect the results of operations of the Fund, as well as have an impact on the Fund's ability to make future investments.

Investments in which the Fund invests are or may be subject to laws and regulations related to privacy, data protection and information security in the jurisdictions in which they operate or do business. As privacy, data protection and information security laws and regulations are implemented, interpreted and applied, compliance costs may increase, particularly in the context of ensuring that adequate data protection and data transfer mechanisms are in place.

California has passed the California Consumer Privacy Act of 2018 (the "CCPA"). The CCPA generally applies to businesses that collect personal information about California consumers, and either meet certain thresholds with respect to revenue or buying and/or selling consumers' personal information. The CCPA imposes stringent legal and operational obligations on such businesses as well as certain affiliated entities that share common branding. The CCPA is enforceable by the California Attorney General. Additionally, if unauthorized access, theft or disclosure of a consumer's personal information occurs, and the business did not maintain reasonable security practices, consumers could file a civil action (including a class action) without having to prove actual damages. Statutory damages range from \$100 to \$750 per consumer per incident, or actual damages, whichever is greater. The Attorney General also may impose civil penalties ranging from \$2,500 to \$7,500 per violation.

The European Union (the "EU") data protection law currently in effect is in the form of the General Data Protection Regulation (EU 2016/679) (the "GDPR"), which took direct effect across the EU member states on May 25, 2018. The GDPR seeks to harmonize national data protection laws across the EU, while at the same time, modernizing the law to address new technological developments. The GDPR notably has a greater extra-territorial reach than pre-existing legislation and has a significant impact on data controllers and data processors (i) with an establishment in the EU, (ii) which offer goods or services to EU data subjects or (iii) which monitor EU data subjects' behavior within the EU. The GDPR imposes more stringent operational requirements on both data controllers and data processors and introduces significant penalties for non-compliance, with fines of up to 4% of total annual worldwide revenue or €20 million (whichever is higher), depending on the type and severity of the breach.

Other jurisdictions, including other U.S. states, have proposed or are considering similar privacy laws, which if enacted could impose similarly significant costs, potential liabilities and operational and legal obligations. Such privacy laws and regulations are expected to vary from jurisdiction to jurisdiction, thus increasing costs and operational and legal burdens on regulated entities. Further, compliance with current and future privacy laws could significantly impact current and planned privacy and information security related practices, the collection, use, sharing, retention and safeguarding of personal data and some of our current and planned business activities. Any such privacy law could materially and adversely affect the results of operations and overall business of the Fund and/or its investments, as well as have a negative impact on their respective performance.

Brexit. On June 23, 2016, the United Kingdom held a referendum and voted to withdraw as a member of the European Union ("EU") and a party to the Treaty on European Union and its successor treaties, and on March 29, 2017, the

United Kingdom delivered a letter to the EU invoking the applicable withdrawal procedures. While the United Kingdom officially withdrew as a member of the EU as of January 31, 2020, the United Kingdom and the EU agreed to a transition period until at least December 31, 2020, during which the United Kingdom generally will continue to operate under and pursuant to EU laws and rules while the United Kingdom and the EU continue to negotiate the terms of withdrawal and the ultimate outcome of the relationship between the EU and the United Kingdom (and the United Kingdom and the rest of the world). The negotiation process has been quite lengthy, complicated and contentious, and much uncertainty remains (especially with respect to the outcome of the relationship between the United Kingdom and the EU after the end of the transition period). The outcome of the referendum and the subsequent process and negotiation with respect to the United Kingdom's withdrawal have caused significant volatility in global financial markets and uncertainty about the integrity and functioning of the EU, both of which may persist for an extended period of time. Although we cannot predict the full effect and results of Brexit, it could have a significant adverse impact on United Kingdom, European and global macroeconomic conditions and could lead to prolonged political, legal, regulatory, tax and economic uncertainty. This uncertainty is likely to continue to impact trade within Europe, foreign direct investment in Europe, the scope and functioning of European regulatory frameworks (including with respect to the Alternative Investment Fund Managers Directive and the European Union Markets in Financial Instruments Directive ("MiFID II")), industrial policy pursued within European countries, immigration policy pursued within European Union countries, the regulation of the provision of financial services within and to persons in Europe and trade policy within European countries and internationally and the global economic climate and may impact opportunities, pricing, availability and cost of financing, regulation, values or exit opportunities of companies or assets based, doing business, or having service or other significant relationships in, the United Kingdom or the European Union, including investments made or considered by the Fund. The volatility and uncertainty caused by Brexit may adversely affect the value of the Fund's investments and our ability to achieve its investment objectives.

The future application of European Union-based legislation to the private fund industry in the United Kingdom and the European Union will ultimately depend on how the United Kingdom renegotiates its relationship with the European Union. Any renegotiated terms or regulations could have a material adverse impact on the Fund and its investments, including the ability of the Fund to achieve its investment objectives. Brexit may result in significant market dislocation, heightened counterparty risk, a material adverse effect on the management of market risk and, in particular, asset and liability management due in part to redenomination of financial assets and liabilities, an adverse effect on our ability to manage, operate and invest the Fund's capital and increased legal, regulatory or compliance burden for us or the Fund, each of which may have a material negative impact on the operations, financial condition, returns or prospects of the Fund. Changes in market conditions and the development of new regulatory regimes and parallel competition law enforcement may also have a material adverse impact on corporate transactions, particularly those occurring in, or impacted by conditions in, the United Kingdom and Europe.

Political parties in several other member states of the European Union have proposed that a referendum similar to that held in the United Kingdom be held on their country's membership in the European Union. It is unclear whether any other member states of the European Union will hold such referendums, but if they do, further disruption can be expected.

THE FOREGOING RISK FACTORS DO NOT PURPORT TO BE A COMPLETE DESCRIPTION OF ALL OF THE RISKS ASSOCIATED WITH OUR INVESTMENT PROGRAM. PROSPECTIVE INVESTORS SHOULD READ THIS BROCHURE AND THE OFFERING AND GOVERNING DOCUMENTS OF THE FUND IN THEIR ENTIRETY BEFORE MAKING ANY INVESTMENT DECISIONS.

Item 9: Disciplinary Information

Neither we nor any of our employees have been involved in any legal or disciplinary events related to past or present investment clients or investors.

Item 10: Other Financial Industry Activities and Affiliations

BROKER-DEALER, COMMODITY POOL OPERATOR, COMMODITY TRADING ADVISER, FUTURES COMMISSION MERCHANT REGISTRATION

Neither AWH Capital nor any of its management persons are registered, or have an application pending to register, as a broker-dealer or a registered representative of a broker-dealer, futures commission merchant, commodity pool operator, a commodity trading advisor, or as an associated person of the foregoing entities.

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

CODE OF ETHICS

We have adopted and implemented a code of ethics, which sets forth standards of business conduct for our employees. Our code of ethics is designed to educate employees about our philosophy regarding ethics and professionalism, emphasize our fiduciary duties to clients, encourage employees to comply with applicable laws, prevent the misuse of material non-public information, the circulation of rumors and other forms of market abuse and address conflicts of interest that arise from personal trading by employees. Among other things, we impose restrictions on employees, consultants and principals relating to the purchase or sale of securities for accounts with respect to which they have beneficial ownership and the accounts of certain affiliated persons. Such individuals are required to disclose, and in certain instances seek pre-approval for, their personal securities transactions and personal securities holdings. We also maintain certain policies and procedures designed to prevent employees and principals from misusing material non-public information. A copy of our code of ethics is available upon request.

OTHER ACTIVITIES

We and our affiliates may acquire the same securities as those owned by the Fund. In addition, we and/or one or more of our affiliates may, directly or indirectly, organize, sponsor and/or manage other limited partnerships or other pooled investment vehicles (each, a “Subsequent Fund”). No such Subsequent Fund will be precluded from co-investing with the Fund.

We will devote such time to the Fund’s affairs as is consistent with achieving the Fund’s investment objectives. However, except as otherwise provided in the Fund’s partnership agreement, we and any of our affiliates may engage in any activity permitted by applicable law.

Item 12: Brokerage Practices

SELECTING BROKERAGE FIRMS

In general, we have authority to select the brokers and other counterparties to be used for Fund transactions and negotiate commission rates and other monies paid by the Fund. We select broker-dealers on the basis of obtaining the best overall terms available, which we evaluate based on a variety of factors, including, among other things: the ability to achieve prompt and reliable executions at favorable prices; the operational efficiency with which transactions are effected; the financial strength, integrity and stability of the broker; the quality, comprehensiveness and frequency of available research and related services considered to be of value; and the competitiveness of commission rates in comparison with other brokers satisfying our other selection criteria. Because commission rates in the United States as well as other jurisdictions are negotiable, selecting brokers on the basis of considerations which are not limited to applicable commission rates may at times result in higher transaction costs than would otherwise be obtainable.

BEST EXECUTION

In placing orders for the purchase and sale of securities, we seek best net execution, which includes both commissions and execution prices. Orders are placed with brokers or dealers which we believe to be responsible and provide effective execution of Fund orders under conditions most favorable to the Fund.

SOFT DOLLAR PRACTICES

We may use soft dollars generated by the Fund to pay for certain research and/or related services provided by brokers described above. The term “soft dollars” refers to the receipt by an investment manager of products and services (including research) provided by brokers without any cash payment by the investment manager, based on the volume of revenues generated from brokerage commissions for transactions executed for clients of the investment manager. The products and services available from brokers include both internally generated items (such as research reports prepared by employees of the broker) as well as items acquired by the broker from third parties (such as quotation equipment).

Using soft dollars to obtain investment research and/or related services creates a conflict of interest between us and the Fund. Soft dollars may be used to acquire products and services that are not exclusively for the benefit of clients which paid the commissions and that may primarily or exclusively benefit us. If we are able to acquire these products and services without expending our own resources (including management fees paid by the Fund), our use of soft dollars would tend to increase our profitability. Furthermore, we may have an incentive to select or recommend brokers based on our interest in receiving research or other products or services, rather than on the Fund’s interest in receiving most favorable execution. We may cause the Fund to pay commissions (or markups or markdowns) higher than those charged by other brokers in return for soft dollar benefits.

At this time, we have no existing soft dollar arrangements in place and have no present intention to enter into soft dollar arrangements in the future. During the last fiscal year, however, we acquired research from brokers used to execute client transactions.

Section 28(e) of the Securities Exchange Act of 1934, as amended (the “Exchange Act”), provides a safe harbor to advisers who use soft dollars generated by client accounts to obtain investment research and brokerage services that provide lawful and appropriate assistance to us in the performance of investment decision-making responsibilities. We expect all soft dollars that we receive to fall within the parameters of Section 28(e) of the Exchange Act.

BROKERAGE FOR CLIENT REFERRALS

From time to time, third-party brokers may provide opportunities for us to be introduced to potential investors. These brokers will not be compensated by us, the Fund or potential investors for providing such “capital introduction” opportunities. Nevertheless, such “capital introduction” opportunities may influence our decision to use (or continue to use) the services of these brokers.

DIRECTED BROKERAGE

We do not recommend, request or require clients to direct us to execute transactions through a specified broker-dealer. We also do not permit clients to direct brokerage for order execution purposes.

Item 13: Review of Accounts

REVIEWS OF ACCOUNTS

We generally conduct reviews of the Fund and its investments on at least a monthly basis. Mr. Hopper, our portfolio manager, is responsible for reviewing the Fund and its investments. With respect to accounting matters, we have engaged an independent public accounting firm to conduct an annual audit of the Fund.

We invest the Fund's capital in securities and other financial instruments. In monitoring the performance of the investments, we perform various levels of review. Among other items, we consider short and long-term rates of return, investment diversification and risk allocations.

ADDITIONAL REVIEWS

While we generally conduct reviews of the Fund and its investments on at least a monthly basis, we may conduct additional or more frequent reviews in the event of any withdrawal or capital contribution by an investor in the Fund, significant market or economic events or under various other circumstances.

REPORTS TO INVESTORS

We provide investors in the Fund with monthly account statements, quarterly investor letters, annual audited financial statements and certain U.S. income tax information. The Fund's financial statements are prepared in accordance with U.S. generally accepted accounting principles. All such statements and reports are written. In response to questions and requests and in connection with due diligence meetings and other communications, we may provide additional information to certain investors in the Fund that is not distributed to other investors in the Fund.

Item 14: Client Referrals and Other Compensation

THIRD PARTY COMPENSATION

Except as described in Item 12 above, we currently do not receive any economic benefit from any person (other than the Fund) for providing investment advisory services to the Fund.

REFERRALS

We currently do not compensate any third party for client or investor referrals.

Item 15: Custody

We are deemed to have custody of the Fund's cash and securities for purposes of Rule 206(4)-2 under the Advisers Act. In accordance with Rule 206(4)-2, the Fund's cash and securities (except for privately placed securities) are maintained with one or more qualified custodians. We may change the custodians at any time and from time to time without the consent of, or notice to, investors. We have engaged an independent public accounting firm to conduct an annual audit of the Fund, and audited financial statements (prepared in accordance with generally accepted accounting principles) are provided to investors on an annual basis. We endeavor to provide such statements to investors within 120 days after the end of each fiscal year, but there can be no assurance that we will be successful in this regard. Qualified custodians do not provide statements directly to investors in the Fund.

Item 16: Investment Discretion

DISCRETIONARY AUTHORITY

We have discretionary power and authority over the types of financial instruments to be bought or sold, as well as the amount to be bought or sold on behalf of the Fund. We have authority to determine the broker-dealer or other counterparty to be used for Fund transactions and the negotiation of commission rates and other consideration to be paid by the Fund.

LIMITED POWER OF ATTORNEY

Each investor in the Fund generally grants us a limited power of attorney to enable us to execute the partnership agreement and to take certain other actions with respect to the Fund on its behalf. We also have authority to conduct authorized trading on behalf of the Fund.

Item 17: Voting Client Securities

We have the authority to vote proxies on behalf of the Fund. Accordingly, we have adopted proxy voting policies and procedures designed to further the best interests of the Fund. In general, our policy is to vote proxy proposals, amendments, consents or resolutions in a manner that serves the best interests of the Fund, as determined in our discretion. In the event that a material conflict in interest exists between us and the Fund in connection with any particular proxy vote, we will take appropriate steps to address and resolve any such conflict. We may also elect to take no action with respect to a proxy if it is in the best interest of the Fund not to vote a proxy. Investors may not direct or otherwise influence our vote with respect to any particular proxy solicitation. Investors may obtain copies of our proxy voting policy, together with information regarding how we have voted past proxies, by contacting us.

Item 18: Financial Information

We do not have any financial commitment that impairs our ability to meet contractual and fiduciary commitments to our clients, and we have not been the subject of any bankruptcy proceeding.