

MACELLUM ADVISORS, LP

Part 2A of Form ADV: Macellum Advisors LP – *Brochure*

www.macellumcapitalmanagement.com

Item 1 - Cover Page

Initial Filing August 25, 2020

Amended March 23, 2023

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This Brochure provides information about the qualifications and business practices of Macellum Advisors, LP (the “Adviser” or the “firm”). If you have any questions about the contents of this Brochure, please contact us at info@macellumcap.com. The information in this Brochure has not been approved or verified by the United States Securities and Exchange Commission (“SEC”) or by any state securities authority.

Macellum Advisors, LP has filed an SEC registration application as a registered investment adviser. Registration of an investment adviser does not imply any level of skill or training. The oral and written communications of an investment adviser provide you with information about which you determine to hire or retain an investment adviser.

Additional information about Macellum Advisors, LP also is available on the SEC’s website at www.adviserinfo.sec.gov.

Item 2 - Material Changes

This Brochure, dated March 23, 2023, is the Adviser's annual updating amendment. Since the Adviser's last annual updating amendment on March 28, 2022, the following material changes have occurred:

- The Adviser updated its Chief Compliance Officer to Estee Levy.
- The Adviser updated its principal place of business to 60 Broad Street, Suite 3825, New York, New York 10004.

Pursuant to SEC rules, the Adviser will ensure that its clients receive a summary of any material changes to this and subsequent Brochures within 120 days of the close of its business fiscal year. The firm may further provide other ongoing disclosure information about material changes as necessary.

The Brochure may be requested by contacting Estee Levy, the Adviser's Chief Compliance Officer, at (646) 989-9244.

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Item 4 - Advisory Business

- A. The Adviser is a Delaware limited partnership and has its principal place of business in New York, New York. Interests in the Funds are offered to certain sophisticated, qualified investors, including: high net worth individuals, retirement plans, trusts, partnerships, corporations, or other businesses.¹

The Adviser was formed in 2011 by Macellum Advisors GP, LLC and the Adviser's chief executive officer and portfolio manager, Jonathan Duskin (the "Principal"), who is the ultimate beneficial owner of the Adviser.

- B. The Adviser provides discretionary investment advisory services to various open-end pooled investment vehicles operating as private funds (each a "Fund" and, collectively, the "Funds"). The Adviser's primary investment objective is to generate positive risk-adjusted returns. The Adviser employs an opportunistic, value-oriented investment strategy supported by an analytical, fundamental research approach to identifying and assessing intrinsic value. In certain instances, the Adviser seeks to employ an activist strategy, whereby the Adviser and or its Clients attempt to exert influence or control of management of the companies in which it or its Clients invest. In such instances, the Adviser may form a group with one or more unrelated entities to act in concert in order to exert larger influence to implement the strategy.
- C. While each of its Clients will follow the general strategy stated above, the Adviser may tailor the specific advisory services with respect to each Client based on the particular investment objectives and strategies described in the applicable Client's (i) confidential offering memorandum or separate account agreement (as applicable) and (ii) governing documents, including but not limited to an investment management agreement (referred to collectively as "Governing Documents").

All discussion of the Clients in this Brochure, including but not limited to their investments, the strategies used in managing the Clients, and conflicts of interest faced by the Adviser in connection with the management of the Clients are qualified in their entirety by reference to each Client's respective Governing Documents.

- D. The Adviser does not participate in wrap fee programs.
- E. As of December 31, 2022, the Adviser managed approximately \$189,095,539 in discretionary regulatory assets under management and \$0 in non-discretionary regulatory assets under management.

¹ As a registered investment adviser, the Adviser owes a fiduciary duty to all of its clients. In 2006, the decision by the Court of Appeals for the D.C. Circuit in *Goldstein v. SEC*, 451 F.3d 873 (D.C. Cir. June 23, 2006), with respect to private funds, clarified that the "client" of an investment adviser to a private fund is the fund itself and not an investor in the fund.

Item 5 - Fees and Compensation

- A. Below is a discussion of how the Adviser is generally compensated in connection with providing advisory services to its Clients. However, the Adviser may enter into different fee arrangements on a Client by Client basis. A potential investor in a Fund or any potential Client should read and review any and all Governing Documents in their entirety before making any investment decisions.

Management Fees. For its services to the Funds, the Investment Manager is generally entitled to a management fee (the “Management Fee”), which is calculated and paid as follows:

1. Upon each Limited Partner’s initial subscription for an Interest, the Limited Partner will pay a one-time Management Fee equal to 2% of such Limited Partner’s Capital Account balance, calculated and payable in advance as of the date of its initial capital contribution to the Fund (its “Initial Investment Date”); and
2. In the event of any additional capital contribution by a Limited Partner, such Limited Partner will pay a one-time Management Fee equal to 2% of the amount of such additional capital contribution, calculated and payable as of the date of the additional capital contribution.
3. The one-time Management Fee is non-refundable.

Performance-Based Fees. The General Partner is typically entitled to a performance allocation upon the withdrawal by a Limited Partner of all or a portion of its Capital Account, which is calculated and charged separately with respect to each withdrawing Limited Partner, equal to 20% of the realized net profits (if any) allocated to such Limited Partner’s Capital Account through the withdrawal date (the “Performance Allocation”). In the case of a partial withdrawal, the Performance Allocation is calculated and charged only with respect to the portion of the Capital Account being withdrawn. The General Partner may waive or alter the Performance Allocation with respect to any Limited Partner in its discretion.

Clients should note that similar advisory services may (or may not) be available from other registered investment advisers for similar or lower fees.

Organizational Expenses. Clients also bear the expenses of the organization of the Clients. The organizational and initial offering costs of the Clients include legal, accounting, printing, marketing and comparable expenses (not including any placement fees). The organizational expenses borne by the Clients are described in more detail in the Clients’ Governing Documents.

Operating Expenses. A Client will also pay all costs and expenses relating to the Client's activities, including legal, auditing, regulatory, compliance, operational, consulting and accounting expenses (including expenses associated with the preparation of Client financial statements, tax returns and K-1s), expenses of any advisory committee and annual meetings of the limited partners, insurance and other expenses associated with the acquisition, holding and disposition of its investments, all third-party expenses in connection with transactions not consummated, and extraordinary expenses (such as litigation).

Should the Adviser form a group with an unaffiliated entity in furtherance of its activist strategy, all group-related expenses are shared across the group members on a pro rata basis. To the extent there are any expenses reimbursed by the company in which the Adviser invests, all such expenses are paid back to the Client account.

Miscellaneous. The Adviser may grant waivers of the Management Fees and Performance Allocations to principals, affiliates, and employees of the Adviser.

The Adviser may agree with certain investors to a variation of the terms set forth in the Funds' Governing Documents.

- B. Management Fees and Performance-Based Fees from the Funds are paid/allocated as indicated in Item 5.A. above.
- C. Certain Clients will incur brokerage and other transaction costs. Item 12 of this Brochure discusses how the Adviser selects brokers and determines the reasonableness of their compensation. The direct expenses borne by each Client are described in more full detail in each Client's Governing Documents.
- D. The Management Fee with respect to the Funds is paid as of the date of the investor's initial capital contribution to the Fund, as more thoroughly explained in Item 5.A above.
- E. The Adviser nor any of its supervised persons accept compensation for the sale of securities or other investment products.

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

As stated in Item 5 above, the Adviser or its affiliates receive performance-based fees or allocations from certain Clients. These payments are subject to Section 205(a)(1) of the Investment Advisers Act of 1940, as amended (the “Advisers Act”), in accordance with the available exemptions thereunder, including the exemption set forth in Rule 205-3, which requires that performance-based fees only be charged to “qualified clients” (as such term is defined in Rule 205-3).

Performance-based fees, in general, may create an incentive for an adviser or its supervised persons to make investments that are riskier and more speculative than would be the case in the absence of a performance-based fee. Such fee arrangements may also create an incentive to favor higher fee paying clients over other clients in the allocation of investment opportunities. To address these conflicts of interest with respect to any future clients, the Adviser implements policies and procedures to ensure that all clients receive equitable and fair treatment with respect to the allocation of investment opportunities.

Item 7 - Types of Clients

As mentioned in Item 4, the Adviser provides investment advisory services to private funds for sophisticated, qualified investors, including: high net worth individuals, retirement plans, trusts, partnerships, corporations, or other businesses.

The typical minimum initial investment in a Fund varies by Fund and generally ranges between \$250,000 and \$1,000,000, although the Adviser may accept investments in a lesser amount at their sole discretion.

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

A. Investment Objective and Philosophy

The Adviser provides investment advisory services to the Funds based on the particular investment objectives, policies and strategies described in the applicable Governing Documents.

The Clients' investment objective is to achieve superior risk-adjusted returns through all market conditions that are uncorrelated to the broader markets.

The Adviser seeks to achieve this objective by making investments in long equity securities in the retail and consumer industry sectors. The core strategy is to capitalize on significant inflection points in a company's life cycle.

The Adviser's strategy is to use proprietary research the management team garners from the industry to identify value-based, long investment opportunities. The management team has extensive industry knowledge and operating backgrounds in the consumer and retail industry. The firm brings together proprietary research and significant industry knowledge with position and portfolio risk management. The Adviser focuses on single company analysis and seeks to mitigate market risk by running a hedged portfolio. The Adviser also looks to mitigate risk by investing in publicly traded, liquid securities.

The Adviser believes that one of its core strengths is its investment process. The process can most easily be envisioned as an assembly line, involving the following stages to arrive at investment ideas:

- (i) *Quantitative Screens* — Macellum uses weekly screens to highlight outliers that it believes have the highest likelihood of outperformance. Attributes generally include financial health, stock performance, valuation and liquidity measurements.
- (ii) *Hypothesis Construction* — Macellum analyzes data from historical financial information, management dialogue, and industry calls in order to assess guidance and consensus estimates and understand sentiment and valuation. The Adviser also applies proprietary financial modeling to evaluate financial statements and liquidity, including availability generated by the target company's borrowing base.
- (iii) *Validate Thesis* — Hypotheses are reviewed by Macellum's senior industry research team to assess and determine thesis validity and confirm proprietary insights. The senior industry team diligence and research includes vendor conversations, management interviews,

B. Risk Management

An investment in a Client, and in turn each of a Client's investments, will involve various risks and potential conflicts of interest. There can be no assurance that the investment, and therefore a Client, will realize its rate of return objectives or will return any investor capital. Further, there can be no assurance that the Adviser will successfully implement its risk management program or that the Clients will not incur substantial or total losses.

The rate of return, if any, realized by a partner in a Client will be less than the rate of return, if any, realized by a direct investor in the investment as a result of the management fee and

performance allocation and the costs and expenses of organizing and operating a Client. A subscriber admitted to a Fund (each a “Limited Partner” and collectively “Limited Partners”) should have the financial ability and willingness to accept the risks (including, among other things, the risk of loss of investment and the lack of liquidity) that will be characteristic of their interests and are encouraged to consult their financial, tax and legal advisors regarding the appropriateness of investing in a Fund.

Prospective investors should give careful consideration to the following risk factors in evaluating the merits and suitability of an investment in a Limited Partner interest. The following does not purport to be a comprehensive summary of all of the risks associated with an investment in a Client. Rather, the following describes certain specific risks to which the Client is subject and with respect to which Macellum Advisors GP, LLC (the “General Partner”) strongly encourages potential investors to carefully consider and to consult regarding the same with their professional advisors, as they deem necessary.

Dependence on the Adviser and the Adviser’s Personnel

The Clients must rely on the ability of the Adviser to manage the Clients’ trading and investment program. The Adviser, in turn, depends on the services of certain key personnel. The loss of the Adviser’s services could be material and adverse to the Clients and would likely result in the premature termination of the Clients.

The success of the Client depends upon the ability of the Adviser’s personnel to develop and implement, as well as allocate the Clients’ among, investment strategies in an attempt to achieve the Clients’ investment objectives. If the Adviser were to lose the services of the Adviser’s personnel, the consequences to the Clients could be material and adverse and would likely lead to the premature termination of the Clients.

Risks Associated with the Structure of the Clients

Agreements with Unaffiliated Entities. The Adviser or its related parties may enter into agreements wherein the Adviser’s principals provide consulting services to investment accounts that are unaffiliated to Macellum. As part of these agreements, the Adviser may disclose information about the Client’s positions and trading strategy. In connection with these arrangements, the Adviser receives a performance fee calculated on the net capital appreciation of the account. Such performance fee may create an incentive for the principal to favor these accounts over the Adviser’s clients.

Additionally, these accounts may have an advantage over the Adviser’s clients because restricted periods resulting from the Adviser’s board participation could preclude the Adviser’s clients from trading but may not preclude the unaffiliated entities. This adverse impact on performance for the Adviser’s Clients may be greater than the impact on the Adviser’s principals because the unaffiliated entities, from which the principals receive a performance-based fee, may be able to dispose of its investments without restriction.

No Separate Counsel. The business terms and structure of a Fund were not negotiated at arm’s length. The Clients do not have counsel separate and independent from that of the General

Partner. No separate counsel has been retained by a Fund or the General Partner to represent or to act on behalf of Limited Partners.

Investment Authority. Substantially all decisions with respect to the management of a Client are made exclusively by the General Partner. Limited Partners have no right or power to take part in the management of a Fund. The Adviser makes all of the trading and investment decisions of the Client. In the event of the withdrawal or bankruptcy of the General Partner, generally the Client will be liquidated.

Illiquidity; Restrictions on Transfer and Withdrawal. An investment in a Client will have limited liquidity with no certainty of return. Interests in a Client may not be transferred or pledged without the prior written consent of the General Partner, which may be withheld in its discretion. There will be no market for the Limited Partner interests in a Client. Limited Partners are subject to restrictions on withdrawal and should not subscribe for Limited Partner interests in a Client unless they are prepared to bear the risks of owning the investment for an extended period of time and can readily bear the consequences of partial or total loss of capital.

Costs. The Clients will incur obligations to pay fees and expenses incurred in connection with its investments and the Client's operating, legal, accounting, and auditing fees. The foregoing expenses are payable by the Client and the Limited Partners regardless of whether the Client realizes any profits.

Indemnification. The Clients will generally be required to indemnify the General Partner, the Adviser and their affiliates for liabilities incurred in connection with the affairs of the Client. Such liabilities may be material and have an adverse effect on the returns to the Limited Partners. The indemnification obligation of the Client are payable from the assets of the Client.

Valuations. From time to time, certain situations affecting the valuation of a Client's investments (such as limited liquidity, unavailability or unreliability of information and acts or omissions of the investment) could have an impact on the net asset value of a Client, particularly if prior judgments as to the appropriate valuation of an investment should later prove to be incorrect after a net asset value-related calculation or transaction is completed. The Clients are not required to make retroactive adjustments to prior subscription or redemption transactions based on subsequent valuation data.

Risks Related to the Investment Strategy

Concentration of Investments. The majority of the Clients' assets will be allocated to securities of its target companies.

Significant Positions. The Client may acquire (i) more than 5% of a class of securities of the investment which would trigger the disclosure requirements of Sections 13 and 16 of the Securities Exchange Act of 1934, as amended (the "Exchange Act") and require the filing of a Schedule 13D or 13G statement with the SEC or (ii) more than 10% of a class of securities of a single issuer which would impose certain limitations on the Client's ability to trade in such securities, including the restrictions of Section 16 of the Exchange Act.

If the Client, alone or as part of a group acting together for certain purposes, becomes the beneficial owner of more than 10% of certain classes of securities of the investment or places a

director on the board of directors of the investment, the Client may be subject to certain additional reporting requirements and to liability for short-swing profits under Section 16 of the Exchange Act. The accumulation of such a significant position in the shares of a single issuer could lead to litigation or disputes in the event the firm desires to influence the issuer. The Client may also seek to challenge the management of the investment through a proxy contest. Such litigation or proxy contest may result in substantial expense to the Client, thus reducing the value of the Client's investment.

To the extent that the Client owns a controlling stake in or is deemed an affiliate of a particular company, it may be subject to certain additional securities laws restrictions that could affect both the liquidity of the Client's interest and the Client's ability to liquidate its interest without adversely impacting the stock price, including insider trading restrictions, the affiliate sale restrictions of Rule 144 of the Securities Act of 1933, as amended (the "Securities Act").

Activist Investing. The Client's investment strategy may involve certain shareholder or debt holder activism that would attempt to influence certain actions of the investment. The Client's ability to realize value from certain of its investments may depend upon the ability of the Adviser to influence the management of the investment to take certain actions, including, for example, a recapitalization, restructuring, spin off, sale of the business or change in management. If the Adviser is incorrect in its assessment of the impact such action will have on the value of the company, or if it is unsuccessful in persuading the investment's management to take the desired action, the Client may sustain a loss on its investment in the company.

There exists the risk that the intended strategy for the investment will be unsuccessful or that the Client does not have sufficient resources, ownership or legal rights to take certain desired actions. Further, when securities are purchased in anticipation of influencing the future direction of a company, a substantial period of time may elapse between the Client's purchase of the securities and the anticipated results. If the anticipated results do not in fact occur, the Client may be required to sell its investment at a significant loss. Moreover, there may be instances where the Client would be restricted in transacting in or redeeming a particular investment as a result of its activist investment strategy. Moreover, as a result of the Client's investment strategy and the possibility that the Client may participate in restructuring or similar activities, it is possible that the Client may become involved in litigation (as either plaintiff or defendant). Litigation entails expense and the possibility of counterclaims against the Client and ultimately judgments may be rendered against the Client for which the Client may not carry insurance.

In order to implement the activist strategy and build large, combined positions, the Adviser may form a group with other unaffiliated entities. Such group may require the Adviser to share information regarding the Adviser's trading strategy with such unaffiliated entities. Further, pursuant to such arrangements, the Adviser may participate in block transactions across Client and unaffiliated entity accounts. Such transactions will generally be allocated on a pro rata basis based on the amount of capital contribution for the account.

Board Participation. The Adviser, either alone or together with others, may secure the appointment of persons to a portfolio company's board of directors. While such representation may enable the firm to enhance the sale value of its investments, it may also prevent the Client from freely disposing of its investments and may subject the Client to additional liability. Such individual(s) (including members, partners, officers, managers, employees or affiliates of the Adviser and their respective affiliates or designees) serving on the board of directors of the portfolio company at the Funds' request will acquire fiduciary duties to the company and to the

company's shareholders, members, unitholders, partners or other owners of the company in addition to the duties such persons owe the Funds. Such fiduciary duties may require such individuals to take actions that are in the best interests of the company or its shareholders, members, unitholders, partners or other owners. Accordingly, situations may arise where persons appointed to portfolio company boards may have a conflict of interest between any duties that they owe to the company and its owners, on the one hand, and any duties that they owe to the Funds, on the other hand. The Client will indemnify the General Partner, the firm or any other person designated by the General Partner or the Adviser for claims arising from such board representation. The Client will attempt to balance the advantages and disadvantages of such representation when deciding whether and how to exercise its rights with respect to the investment, but the exercise of such rights could produce adverse consequences in particular situations.

Options. The successful use of options depends on the ability of the Adviser to forecast interest rate and market movements correctly. In addition, when it purchases an option, the Client runs the risk that it will lose its entire investment in the option in a relatively short period of time, unless the Client exercises the option or enters into a closing transaction with respect to the option during the life of the option. If the price of the underlying security does not rise (in the case of a call) or fall (in the case of a put) to an extent sufficient to cover the option premium and transaction costs, the Client will lose part or all of its investment in the option. Although the Client will take an option position only if the firm believes there is a liquid secondary market for the option, there is no assurance that the Client will be able to affect closing transactions at any particular time or at any acceptable price. In the event of the bankruptcy of a broker through which the Client engages in transactions in options, the Client could experience delays and/or losses in liquidating open positions purchased or sold through the broker.

Regulatory Risks

Not an Investment Company. While a Client may be considered similar in some ways to an investment company, they are not required and do not intend to register as such under the U.S. Investment Company Act of 1940, as amended (the "Investment Company Act"), and, accordingly, the protections of the Investment Company Act (which, among other matters, requires investment companies to have a majority of disinterested directors, requires securities held in custody at all times to be individually segregated from the securities of any other person and marked to clearly identify such securities as the property of such investment company and regulates the relationship between the adviser and the investment company) will not be applicable.

Trading Limitations. For all securities, including options listed on a public exchange, the exchange generally has the right to suspend or limit trading under certain circumstances. Such suspensions or limitations could render certain strategies difficult to complete or continue and subject the Client to loss.

Political and Economic Conditions. An investment may be adversely affected by changes in economic conditions or political events that are beyond its control. For example, a stock market break, continued threats of terrorism, the outbreak of hostilities involving the U.S., or the death of a major political figure may have significant adverse effects on general economic conditions, market conditions, market liquidity and an investment's performance results. Additionally, a serious pandemic, such as avian influenza, or a natural disaster, such as a hurricane, could severely disrupt the global, national and/or regional economies and/or markets. Other factors,

such as changes in U.S. federal or state tax laws, U.S. federal or state securities laws, bank regulatory policies or accounting standards, may make corporate acquisitions less desirable. Similarly, legislative acts, rulemaking, adjudicatory or other activities of the SEC, the U.S. Federal Reserve Board, FINRA or other governmental or quasi-governmental bodies, agencies and regulatory organizations may make the business of the investment less attractive. A negative impact on economic fundamentals and consumer confidence may negatively impact market value, increase market volatility and cause credit spreads to widen, each of which could have an adverse effect on performance of an investment.

Financial Markets and Regulatory Change. The investment fund industry is subject to regulatory scrutiny and risks relating to uncertainty in the credit markets. Market disruptions and the dramatic increase in the capital allocated to alternative investment strategies during recent years have led to increased governmental, as well as self-regulatory, scrutiny of the investment fund industry in general. The laws and regulations affecting businesses continue to evolve in an unpredictable manner. Laws and regulations, particularly those involving taxation, investment and trade, applicable to the Client's activities can change quickly and unpredictably, and may at any time be amended, modified, repealed or replaced in a manner adverse to the interests of the Client. It is impossible to predict what, if any, changes in regulation applicable to the Client, the General Partner, the Adviser, the markets in which they trade and invest or the counterparties with which they do business may be instituted in the future. The Client, the General Partner, and the Adviser may be or may become subject to unduly burdensome and restrictive regulation.

In particular, in response to significant past events in international financial markets, governmental intervention and certain regulatory measures have been adopted in certain jurisdictions, including restrictions on short selling of certain securities in the United States, the United Kingdom and certain other jurisdictions. The extent to which the underlying causes of these recent events are pervasive throughout global financial markets and have the potential to cause further instability is not yet clear. These recent events, and their underlying causes, have heightened the risks associated with the investment activities and operations of investment funds, including without limitation, those resulting from a substantial reduction in the availability of credit and the increased cost of short-term credit, a decrease in market liquidity, an increased risk of insolvency of prime brokers and other counterparties, and regulatory changes that may have an adverse effect on investment funds generally, and in particular, on the Client's ability to achieve its investment objective. The investment fund industry may continue to be adversely affected by the recent developments in the financial markets in the U.S. and abroad, and any future legal, regulatory, or governmental action and developments in such financial markets and the broader U.S. economy could have an adverse effect on a Client's business, operations and performance.

Systemic Risk. World events, the activities of one or more large participants in the financial markets, or other events could result in a temporary systemic breakdown in the normal operation of financial markets. Such events could result in the target investment (and consequently, the Client) losing substantial value caused predominantly by liquidity and counterparty issues (as noted above) which could result in the Client incurring substantial losses.

Cybersecurity Considerations. The Adviser's and the Client's information and technology systems may be 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 the Adviser and the Client will likely implement 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, the firm and/or the Client 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 the firm's and/or the 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 the Adviser's and/or the Client's reputation, subject any such entity and their respective affiliates to legal claims and otherwise affect their business and financial performance.

Tax-Related Risks

Uncertainty and Complexity of Tax Treatment. The tax aspects of an investment in a partnership are complicated and complex and, in many cases, uncertain. Statutory provisions and administrative regulations have been interpreted inconsistently by the courts. Additionally, some statutory provisions remain to be interpreted by administrative regulations. Investors will thus be subject to the risk caused by the uncertainty of the tax consequences with respect to an investment in the Client. Each prospective investor should have the tax aspects of an investment in the Client reviewed by professional advisors familiar with such investor's personal tax situation and with the tax laws and regulations applicable to the investor and private investment vehicles.

Risk of Adverse Determination. There can be no assurance that positions taken by the Client will not be challenged successfully by the Internal Revenue Service (the "Service") or any other taxing authority, or significantly modified by new legislation, changes in the Service's positions or court decisions. The Client has not applied for, nor does it expect to apply for, any advance rulings from the Service with respect to any of the federal income tax consequences described in this Brochure. No representation or warranty of any kind is made by the General Partner with respect to the federal income tax consequences relating to an investment in the Client. The Client may take positions with respect to certain tax issues which depend on legal conclusions not yet resolved by the courts. Should any such positions be successfully challenged by the Service or other applicable taxing authority, there could be a materially adverse effect on the Client, and a Limited Partner might be found to have a different tax liability for that year than that reported on its income tax returns.

Entity-Level Audits. Pursuant to the Bipartisan Budget Act of 2015, as amended, or any similar state or local tax rules (the "BBA"), the Service generally is permitted to determine adjustments to items of income, gain, deduction, loss or credit of the Client, and assess and collect taxes attributable thereto (including any applicable penalties and interest), at the Client level. Although certain elections or other procedures may be available to mitigate the impact of such determination, assessment or collection, there can be no assurances that the Client will avoid, or be able to avoid, any entity-level determination, assessment or collection. In addition, any such elections or procedures may have differing results on the tax liability of Limited Partners depending on the tax status of each Limited Partner, and the Client may not be able to take into account the particular facts or circumstances of a Limited Partner.

A Limited Partner may be required to bear a share of the economic burden of taxes so assessed or collected without regard to whether such person was a Limited Partner, or without regard to his relative ownership interest, during the taxable year of the Client to which such taxes relate.

Each partnership required to file, or that files, a U.S. income tax return, must designate a representative under the BBA (the “Partnership Representative”) with the sole authority to act on behalf of, and to bind, the partnership, its partners, and any other person whose tax liability is determined by taking into account adjustments under the BBA. Limitations on the authority of the Partnership Representative in the Partnership Agreement or in any other agreement will not be binding during examinations upon audit or any other proceedings. In addition, Limited Partners will not be able to participate in any such examinations or proceedings without permission of the Service. Limited Partners should note that the BBA regime is complex and that the impact on any current or future allocations made or cash available for distributions or withdrawals by a Client is uncertain. The Client may also be exposed to the risk that these rules apply to any entity treated as a partnership for U.S. federal income tax purposes in which the Client directly or indirectly invests. The legal and accounting costs incurred in connection with any audit of the Client will be borne by the Client. The cost of any audit of any Limited Partner will be borne solely by the Limited Partner. Prospective Limited Partners should consult their own tax advisors in this regard.

Tax Considerations Taken into Account. The General Partner may take tax considerations into account in determining when the Client’s investments should be sold or otherwise disposed of, and may assume certain market risk and incur certain expenses in this regard to achieve favorable tax treatment of a transaction, however, no assurances can be provided that any such favorable tax treatment will be achieved.

Tax Liabilities Without Distributions. If the Client has taxable income in a fiscal year, each Limited Partner will be taxed on that income in accordance with its allocable share of the Client’s profits, whether or not such profits have been distributed. Because the General Partner anticipates that there will be no cash distributions to the Limited Partners, an investor may incur tax liability with respect to activities of the Client without receiving sufficient distributions from the Client to defray such tax liabilities. In order to satisfy its tax liability in such a case, a Limited Partner would need sufficient funds from sources other than the Client. Furthermore, the Client may make investments with respect to which the Client recognizes income for U.S. federal income tax purposes prior to receiving the cash or realizing the income as an economic matter. In addition, the Client may recognize income for U.S. federal income tax purposes that does not reflect income as an economic matter. Such recognition of income prior to receipt of an economic benefit, if any, may result in increased tax liability for the Partners.

Unrelated Business Taxable Income. The Client may make investments or engage in activities that will give rise to unrelated business taxable income (“UBTI”) under Sections 512 and 514 of the U.S. Internal Revenue Code of 1986, as amended (the “Code”). Thus, an investment in the Client may not be desirable for certain tax-exempt investors. For example, the Client may incur leverage giving rise to UBTI or participate in investments that give rise to UBTI through entities that are treated as partnerships for U.S. federal income tax purposes. Because of the “flow-through” principles applicable to partnerships, if UBTI is earned by the Client, a tax-exempt investor in the Client will realize UBTI. Because of the Adviser’s objective of maximizing the pre-tax returns of all the Limited Partners, the firm may be required to make certain decisions to maximize pre-tax returns that result in tax-exempt investors recognizing more UBTI than might otherwise be the case. In some cases, the firm may forgo actions with regard to the acquisition, financing, management and disposition of assets that would reduce UBTI because such actions would reduce the overall pre-tax returns to all the Limited Partners.

Delayed Schedules K-1. The Client will provide Schedules K-1 as soon as practicable after receipt of all of the necessary information. However, the Client may be unable to provide final Schedules K-1 to Limited Partners for any given tax year until significantly after April 15 of the following year. The General Partner will endeavor to provide Limited Partners with estimates of the taxable income or loss allocated to their investment in the Client on or before such date, but final Schedules K-1 may not be available until completion of the Client's annual audit. Limited Partners should be prepared to obtain extensions of the filing date for their income tax returns at the federal, state and local levels.

Tax Changes. Investors will be subject to the risk that changes to the tax law may adversely affect the federal income tax consequences of their investment in the Client. Changes in existing tax laws or regulations and their interpretation may be enacted after the date of this Brochure, possibly with retroactive effect, and could alter the income tax consequences of an investment in the Client. Certain provisions of the Code may be further amended or interpreted in a manner adverse to the Client, in which event any benefits derived from an investment in the Client may be adversely affected. No assurance can be given that legislative, administrative, or judicial changes that could alter, either prospectively or retroactively, the U.S. tax considerations or risk factors discussed in this Brochure will not occur.

Recently Enacted Tax Reform Legislation. Recently enacted U.S. tax reform legislation made significant changes to the rules potentially applicable to the Client and/or its investors. Certain of these new rules are complex and, pending guidance that may be forthcoming, the impact on the Client and its investors may be unclear. Prospective investors should consult their own tax advisors regarding potential changes in any tax laws, potentially with retroactive effect.

The foregoing is not intended to be an exhaustive analysis or listing of the tax risks associated with an investment in the Client. Many of the relevant tax considerations will vary depending on a prospective Limited Partner's individual circumstances. The tax aspects associated with such an investment are complex and complicated and are subject to a variety of interpretations. Prospective investors are strongly urged to seek and rely upon the advice of their own tax advisor who is qualified to discuss the foregoing and other possible tax risks.

In view of the foregoing considerations, an investment in Limited Partner interests is suitable only for investors who are capable of bearing the relevant investment risks.

General Risk

Cyber Security Risk. With the increased use of technologies such as the internet and the dependence on computer systems to perform necessary business functions, investment vehicles such as the Client, its portfolio companies and their service providers may be prone to operational and information security risks resulting from cyber-attacks. In general, cyber-attacks result from deliberate attacks, but unintentional events may have effects similar to those caused by cyber-attacks. Cyber-attacks include, among other behaviors, stealing or corrupting data maintained online or digitally, denial-of-service attacks on websites, the unauthorized release of confidential information and causing operational disruption. Successful cyber-attacks against, or security breakdowns of a Client, the firm, the Client's portfolio companies and/or any of their third party service providers may adversely impact the Client or the Client's investors. For instance, cyber-attacks may interfere with the processing of Client investor transactions, impact the Client's ability to value its assets, cause the release of private Client investor information or confidential information of the Client, impede trading, cause reputational damage, and subject the Client to

regulatory fines, penalties or financial losses, reimbursement or other compensation costs, and/or additional compliance costs. The Client may also incur substantial costs for cyber security risk management in order to prevent any cyber incidents in the future. A Client and the Client's investors could be negatively impacted as a result. While a Client or the Client's service providers have established business continuity plans and systems designed to prevent such cyber-attacks, there are inherent limitations in such plans and systems including the possibility that certain risks have not been identified. Similar types of cyber security risks are also present for issuers of securities or other instruments in which the Client invests, which could result in material adverse consequences for such issuers, and may cause the portfolio investments therein to lose value.

Risks Associated with Epidemics, Pandemics, Outbreaks of Disease and Public Health Issues. The firm's business activities as well as the Clients and their operations and investments, could be materially adversely affected by pandemics, epidemics and outbreaks of disease in Asia, Europe, North America and/or globally or regionally, such as novel coronavirus, or COVID-19, Ebola, H1N1 flu, H7N9 flu, H5N1 flu, Severe Acute Respiratory Syndrome, or SARS, and/or other epidemics, pandemics, outbreaks of disease, viruses and/or public health issues. Specifically, novel coronavirus, or COVID-19, has spread (and is currently spreading) rapidly around the world since its initial emergence in China in December 2019 and has severely negatively affected (and may continue to materially adversely affect) the global economy and equity markets (including, in particular, equity markets in Asia, Europe and the United States). Although the long-term effects or consequences of novel coronavirus (or COVID-19) and/or other epidemics, pandemics and outbreaks of disease cannot currently be predicted, previous occurrences of other pandemics, epidemics and other outbreaks of disease, such as H5N1 flu, H1N1 flu, SARS and the Spanish flu, had a material adverse effect on the economies and markets of those countries and regions in which they were most prevalent. Any occurrence or recurrence (or continued spread) of an outbreak of any kind of epidemic, communicable disease or virus or major public health issue could cause a slowdown in the levels of economic activity generally (or cause the global economy to enter into a recession or depression), which would adversely affect the business, financial condition and operations of the firm and the Clients. Should these or other major public health issues, including pandemics, arise or spread farther (or continue to spread or materially impact the day to day lives of persons around the globe), the Adviser and the Clients could be adversely affected by more stringent travel restrictions, additional limitations on the firm's operations or business and/or governmental actions limiting the movement of people between regions and other activities or operations (or to otherwise stop the spread or continued spread of any disease or outbreak).

Item 9 - Disciplinary Information

Registered investment advisers are required to disclose all material facts regarding any legal or disciplinary events that would be material to your evaluation of the adviser or the integrity of adviser's management.

The Adviser and its personnel have no legal or disciplinary events to report.

Item 10 - Other Financial Industry Activities and Affiliations

- A. The Adviser is not registered, and does not have an application pending to register, as a broker-dealer or registered representative of a broker-dealer.
- B. Neither the Adviser nor any of its management persons are registered, or have an application pending to register, as a futures commission merchant, commodity pool operator, commodity trading advisor, or an associated person of the foregoing entities.
- C. The Funds are affiliates of the Adviser. Additionally, Macellum Advisors GP, LLC is an affiliate of the Adviser. Since Macellum Advisors GP, LLC is entitled to receive a share of the performance allocation from the Clients, this may create an incentive for the Adviser to make investments that are riskier or more speculative than would be the case if such arrangement was not in effect. However, as noted in Item 11, the Adviser has adopted a written Code of Ethics that contains policies and procedures to address conflicts of interest. Under such policies and procedures, the Adviser is required to make investment decisions for its Clients in a manner that is consistent with its fiduciary duties to its Clients.

Employees or officers of the Adviser may from time to time be members of the boards of directors of publicly held companies which may result from permitted investments of various strategies offered by the Firm. In these cases, the Adviser may take steps, such as establishing information barriers or placing the security in question on a restricted list, which may limit or preclude the purchase or sale of such securities for Funds and Adviser employees.

- D. The Adviser does not recommend or select other investment advisers for its Clients.

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

- A. The Adviser has adopted a written Code of Ethics designed to address and avoid potential conflicts of interest as required under Rule 204A-1 of the Advisers Act (the “Code”). The Code sets forth a standard of business conduct and compliance with federal securities laws by all of the Adviser's employees. The Code contains policies and procedures that ensure that all personal securities trading by employees of the Adviser is conducted in such a manner as to avoid actual or potential conflicts of interest or any abuse of an individual's position of trust and responsibility. The Adviser restricts personal trading in single name securities that are in the Adviser's portfolio, including any right to acquire such security, such as puts, calls, other options, rights in such securities, and other such instruments; requires pre-clearance of personal trades in certain circumstances, including purchases of a single name security listed on the S&P 500, an IPO, or a new private placement; requires periodic reporting of employees' personal securities transactions and holdings; and requires prompt internal reporting of Code violations.

The Adviser has established procedures to prevent the abuse of material, non-public information, which includes procedures for, among other things, the use and maintenance of restricted trading lists. Because the structure of the Adviser would make information barriers impractical, the firm has not imposed information barriers to restrict the internal flow of possible material, non-public information. Thus, all professionals are deemed to be in receipt of material, non-public information, in all instances where any professional of the Adviser has received material, non-public information, and, therefore, may not trade on the basis of that information.

The Adviser's Code of Ethics is available, upon request, to any Client or prospective Client as well as any investor or qualified prospective investor.

Additionally, the Adviser and its related entities engage in a broad range of activities. In the ordinary course of conducting its activities, the interests of a Client may, from time to time conflict with the interests of the Adviser, other Clients or their respective affiliates. Certain of these conflicts of interest, as well a description of how the Adviser addresses such conflicts of interest, can be found below.

In the case of all conflicts of interest, the Adviser's determination as to which factors are relevant, and the resolution of such conflicts, will be made using the Adviser's best judgment, but in its sole discretion. In resolving conflicts, the Adviser will consider various factors, including the interests of the applicable Clients with respect to the immediate issue and/or with respect to their longer-term courses of dealing. Certain procedures for resolving specific conflicts of interest are set forth below. When conflicts arise, the following factors generally mitigate, but will not eliminate, conflicts of interest:

- (1) A Client will not make an investment unless the Adviser believes that such investment is an appropriate investment considered solely from the viewpoint of such Client;
- (2) Many important conflicts of interest will generally be resolved by set procedures, restrictions or other provisions contained in the Governing Documents for the Clients;
- (4) Where the Adviser deems appropriate, unaffiliated third parties may be used to help resolve conflicts, such as the use of an investment banker to

- opine as to the fairness of a purchase or sale price; and
- (5) Prior to subscribing for interests in a Client, each investor receives information relating to significant potential conflicts of interest arising from the proposed activities of the Client.

Specifically, with respect to conflicts of interest that may arise in connection with its investment activities, the Adviser has adopted written policies and procedures relating to the allocation of investment opportunities, and will make allocation determinations consistently with Client Governing Documents and such policies. The Adviser will not allocate investment opportunities based, in whole or in part, on (i) the relative fee structure or the amount of fees paid by any Client or (ii) the profitability of any Client.

- B. The Adviser or its related persons may recommend securities to Clients in which it or its related persons have a material financial interest. This presents a conflict of interest. See Item 8.A. above for how the Adviser addresses all such conflicts.
- C. As provided by the Code, employees of the Adviser may not execute securities in their personal trading accounts at or about the same time that the Adviser or its related persons buy or sell the same investments for a Client account.

Item 12 - Brokerage Practices

- A. The Adviser has complete discretion to determine, subject to each Client's disclosed investment objectives, policies and strategies, the securities to be purchased or sold and in what amounts, the broker-dealers and other financial intermediaries to use in effecting the transactions for Clients, and the commission rates to be paid for such transactions.

Brokerage. The Adviser selects the broker-dealers and other financial intermediaries used to effect transactions on behalf of its Clients. The Adviser seeks to obtain "best execution" from these broker-dealers based on a variety of factors. In selecting broker-dealers to effect portfolio transactions, the Adviser may cause Clients to enter into arrangements pursuant to which the Clients pay transaction costs in an amount greater than would be incurred if another broker-dealer were used. The Adviser is not required to solicit competitive bids or seek the lowest available commission or transaction costs. The transactions executed by Clients may be cleared through, and the Clients' investment instruments may be held by, a number of financial institutions the Adviser selects on terms negotiated with each such financial institution individually. Subject to the Adviser's agreement with each Client, the Adviser generally will use a variety of financial institutions both to take advantage of differing expertise and capabilities and to avoid, due to credit concerns, having all investment instruments concentrated at one firm. The Adviser does not consider the receipt of Client referrals when selecting broker-dealers to execute transactions.

Generally, the Adviser does not permit Clients to direct brokerage to a specified broker-dealer and all brokerage transactions will be executed through the broker-dealers selected by the Adviser. Nevertheless, certain Clients may require the Adviser to direct the Adviser to a particular broker. Such Clients must note that such directed brokerage arrangements limit the Adviser's ability to seek best execution and participate in aggregated trades (as described below) and therefore may result in increased cost for such Clients.

Soft Dollars. A portion of the commissions generated on Clients' brokerage transactions may generate "soft dollar" credits that the Adviser is authorized to use to pay for research and other non-research related services and products used by the Adviser or its affiliates. Although the Adviser will use the research and services in making investment decisions for the applicable Clients, the Adviser may use such research or services for other Clients and the applicable Clients will generally pay more than the lowest available commissions for execution of these transactions. The Adviser may also enter into "soft dollar" arrangements to cover Client expenses or costs and expenses of the Adviser to the extent such arrangements are permitted by law.

The ability to utilize soft dollar credits may give the Adviser an incentive to select brokers or dealers for Client transactions, or to negotiate commission rates or other execution terms, in a manner that takes into account the soft dollar benefits received by the Adviser rather than giving exclusive consideration to the interests of the Clients. In the event that the Adviser elects to use soft dollars, it intends to limit such use to services that fall within the safe harbor afforded by Section 28(e) of the Securities Exchange Act of 1934, as amended, or such services that are otherwise reasonably related to the investment decision-making process.

The term "soft dollars" refers to the receipt by an investment adviser of products and services provided by brokers, without any cash payment by the investment adviser, based on the volume of revenues generated from brokerage commissions for transactions executed for clients of the

investment adviser. 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).

- B. In general (and when applicable), the Adviser attempts to aggregate multiple orders for the purchase or sale of the same instrument into block transactions, subject to the overall obligation to achieve best price and execution for its Clients. Additionally, a block trade could be allocated across both Client accounts and unaffiliated entities. See Item 8 above for disclosures regarding the risks associated with such practice.

Item 13 - Review of Accounts

- A. The Principal of the Adviser is responsible for reviewing Client investment portfolios on a daily basis relating to, among other factors, position sizes; exposure levels; margin requirements; and investment strategy compliance.
- B. See Item 13.A. above.
- C. The Adviser provides Fund investors with audited annual financial statements, periodic reports and other communications, and all tax information relating to their investments in the Funds necessary for U.S. federal income tax purposes.

Item 14 - Client Referrals and Other Compensation

- A. The Adviser does not receive any economic benefit, including sales awards or prizes, from any third party for providing advisory services to the Funds.
- B. The Adviser may enter into agreements with persons who refer potential investors for the Funds to the Adviser. For their referral services, these persons may receive compensation from the Adviser in the form of a percentage of the Management Fee and/or Performance Allocation that the Adviser and its affiliates receive from the Funds with respect to the referred investors. All solicitation arrangements that the Adviser may enter will be designed to be in compliance with Rule 206(4)-1 under the Advisers Act and any similar state regulations. The Funds and their underlying investors are not responsible for any of the fees paid to the referring persons.

Item 15 - Custody

The Adviser is deemed, under Rule 206(4)-2 of the Advisers Act, to have custody of the assets of the Funds by virtue of the common control of the Adviser and the General Partner of the Funds. All assets and securities of the Funds are held by qualified custodians. As noted in Item 13 above, Fund investors receive annual financial statements audited by an independent public accounting firm. Fund investors are urged to carefully review these statements.

Item 16 - Investment Discretion

For many of its Clients, the Adviser exercises discretion in managing the Clients' investments based on the applicable Clients' investment objectives, policies, and strategies disclosed in its Governing Documents.

The Adviser generally contractually assumes discretionary authority over the assets of its Clients under investment management agreements entered into among the Adviser and the Clients.

Item 17 - Voting Client Securities

The Adviser follows a proxy voting policy to ensure that proxies the firm votes, on behalf of each Client, are voted to further the best interest of that Client. The policy establishes a mechanism to address any conflicts of interests between the Adviser and its Clients. Further, the policy establishes how Clients' underlying investors may obtain information on how the proxies have been voted.

The Adviser determines how to vote after studying the proxy materials and any other materials that may be necessary or beneficial to voting. The Adviser votes proxies in a manner that it believes reasonably furthers the best interests of its Clients and their investors and is consistent with the investment philosophy as set forth in the relevant Clients Governing Documents.

If a proxy vote creates a material conflict between the interests of the Adviser and a Client, the Adviser will resolve the conflict before voting the proxies. The Adviser will take steps designed to ensure that a decision to vote the proxy was based on the Adviser's determination of the Client's best interest.

The Adviser maintains records of (i) all proxy votes that are made on behalf of its Clients; (ii) all written requests from each Client's underlying investors regarding voting history; and (iii) all responses (written and oral) to investors' requests. Such records are available to each Client's underlying investors upon request.

Item 18 - Financial Information

- A. The Adviser does not require or solicit prepayment of advisory fees six months or more in advance.
- B. The Adviser does not believe it has any financial condition that is reasonably likely to impair its ability to meet its contractual commitments to the Funds.
- C. The Adviser has not been the subject of a bankruptcy petition at any time during the past ten years.