

PART 2A OF FORM ADV: FIRM BROCHURE

ITEM 1. COVER PAGE

Oppenheimer Catalyst Management, L.P.
200 Park Avenue, 24th Floor
New York, NY 10166
(212) 440-4664

March 19, 2012

This brochure provides information about the qualifications and business practices of Oppenheimer Catalyst Management, L.P. If you have any questions about the contents of this brochure, please contact Cheryl Cowan, Client Services Supervisor, at (212) 440-4664 or cheryl.cowan@opco.com.

The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority.

Additional information about Oppenheimer Catalyst Management, L.P. is also available on the SEC's website at: www.adviserinfo.sec.gov.

Registration with the SEC as an investment adviser does not imply a certain level of skill or training.

ITEM 2. Material Changes

There are no material changes from the Form ADV Part 2A dated March 30, 2011. If any material changes are made to this Brochure, this section will be revised to include a summary of such changes.

ITEM 3
TABLE OF CONTENTS

| | |
|--|----|
| ITEM 4. ADVISORY BUSINESS..... | 4 |
| ITEM 5. FEES AND COMPENSATION..... | 4 |
| ITEM 6. PERFORMANCE-BASED FEES AND SIDE-BY SIDE MANAGEMENT..... | 6 |
| ITEM 7. TYPES OF CLIENTS..... | 6 |
| ITEM 8. METHODS OF ANALYSIS, INVESTMENT STRATEGIES AND RISK OF LOSS..... | 6 |
| ITEM 9. DISCIPLINARY INFORMATION..... | 17 |
| ITEM 10. OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS..... | 18 |
| ITEM 11. CODE OF ETHICS, PARTICIPATION OR INTEREST IN CLIENT TRANSACTIONS AND PERSONAL TRADING..... | 20 |
| ITEM 12. BROKERAGE PRACTICES..... | 21 |
| ITEM 13. REVIEW OF ACCOUNTS..... | 21 |
| ITEM 14. CLIENT REFERRALS AND OTHER COMPENSATION..... | 22 |
| ITEM 15. CUSTODY..... | 22 |
| ITEM 16. INVESTMENT DISCRETION..... | 22 |
| ITEM 17. VOTING CLIENT SECURITIES..... | 22 |
| ITEM 18. FINANCIAL INFORMATION..... | 23 |

ITEM 4. ADVISORY BUSINESS

A. General Description of Advisory Firm

Oppenheimer Catalyst Management, L.P. (“OCM”) was organized March 1, 1990. OCM provides portfolio management services to pooled investment vehicles. OCM is the general partner of Advantage Advisers Catalyst Partners, L.P. (the “Fund”) and is responsible for the management of the Fund. Sanford B. Prater, the principal of Ridgecrest Investment Management, LLC and Lonesome Pine Investment Management, LLC (the “Prater Affiliates”) serves as portfolio manager of the Fund (the “Portfolio Manager”), subject to the oversight of OCM.

Oppenheimer Asset Management Inc. (“OAM”), the general partner of OCM, is an indirect wholly owned subsidiary of Oppenheimer Holdings, Inc. (“OPY”), a publicly traded company listed on the New York Stock Exchange (“NYSE”), and controlled by Albert G. Lowenthal, who controls greater than 50% of the voting securities of OPY.

Oppenheimer & Co. Inc. (“Oppenheimer”), an affiliate of OCM and OAM, acts as the placement agent for the Fund. Oppenheimer and Oppenheimer Financial Advisors offer interests in the Fund, on a non-exclusive basis, to clients of Oppenheimer. Oppenheimer also provides administrative and investor services to the Fund. Accordingly, the management fees described below are paid to Oppenheimer and not to OCM.

B. Description of Advisory Services

OCM provides advisory services to the Fund. The minimum subscription in the Fund is \$100,000.

OCM does not offer customized services for individual clients. OCM’s client is the Fund. Investors purchase units in the Fund and investments are made at the fund level, not for individual investors in the Fund.

As of December 31, 2011 OCM managed \$18,877,591 of client assets on a discretionary basis. OCM did not manage any client assets on a non-discretionary basis.

ITEM 5. FEES AND COMPENSATION

A. Advisory Fees and Compensation

In compensation for advisory services it provides, OCM receives a percentage of assets under management (the “Management Fee”) as well as a performance-based allocation (the “Performance-based Allocation”).

B. Payment of Fees

Generally, the Management Fee, the Performance-based Allocation, and additional fees and expenses during the term of the Fund are charged to the capital accounts of investors in the Fund in each fiscal period in proportion to such investor's capital account at the beginning of such fiscal period.

| <u>Fees</u> | <u>When Paid</u> | <u>Amount</u> |
|---|---|---|
| Management Fee (This fee is paid to Oppenheimer.) | Paid on the first day of each fiscal quarter | 0.3125% of the beginning Capital Account for such fiscal quarter (1.25% annually) with respect to each investor |
| Performance-based Allocation (a portion allocated to OCM is ultimately remitted to the Portfolio Manager) | Paid at the end of the 4 th full quarter following admission of an investor in the Fund* | 20% of the aggregate net capital appreciation allocated to the investor's capital account from the date of admission through and including the fourth full quarter (after deduction of the Oppenheimer Fee) |

*Subsequent performance-based allocations are made as of the end of each fiscal year.

C. Additional Fees and Expenses

The Fund bears all of its operating expenses. The term "operating expenses" includes all taxes, organizational and investment expenses (*e.g.*, expenses which OCM reasonably determines to be directly related to the investment of the Fund's assets, such as brokerage commissions, custodial fees, *etc.*), legal expenses, escrow expenses, internal and external accounting, audit and tax preparation expenses, premiums for general partner liability insurance, a portion of the salaries of certain clerical and administrative personnel who spend a substantial amount of their time on matters involving the Fund and other affiliated investment partnerships and related accounts, and other expenses associated with the operation of the Fund. If any services, including, without limitation, legal, internal and external accounting, audit and tax preparation services, are performed or paid for the Fund by Oppenheimer, the Fund reimburses Oppenheimer thereof.

D. Prepayment of Fees

The Fund pays the management fee quarterly in advance.

ITEM 6. PERFORMANCE – BASED FEES AND SIDE BY SIDE MANAGEMENT

OCM accepts a Performance-based Allocation, however, as OCM's only client is the Fund, no conflicts of interest arise.

ITEM 7. TYPES OF CLIENTS

OCM's only client is the Fund, a collective private investment vehicle. The minimum subscription amount in the Fund is \$100,000.

ITEM 8. METHODS OF ANALYSIS, INVESTMENT STRATEGIES AND RISK OF LOSS

A. Methods of Analysis and Investment Strategies

The Fund looks for investment opportunities in equity securities that are expected to have a dramatic price movement in their market price in the short term, especially when such price movement is the result of a trend, change or other event (a "Catalyst").

Catalysts typically fall into three categories: (i) events initiated by a company, such as corporate restructurings, special dividends, unanticipated significant changes in management or key personnel, divestiture programs or share repurchases; (ii) events not initiated by a company, such as announcements of Securities and Exchange Act of 1934 Section 13(d) filings by corporate raiders, bids for segments of a business or a change in a company's supply/demand fundamentals; or (iii) events external to a company, which may impact an industry group, such as changes in interest rates, regulatory changes, natural occurrences (droughts, floods, crop shortages or surpluses), political factors, cyclical factors or the like.

After identifying a trend or change, the Portfolio Manager determines which companies are likely to benefit from such trends or changes in the shorter term. In addition, the Portfolio Manager undertakes a review of the company or industry; for example, he may analyze a company's operating earnings and cash flow, relative return on equity compared to relative price to book value, stock ownership, debt to equity ratio, trading history, management structure, position within its industry and other information. After completing this analysis, the Portfolio Manager estimates how long it will take for the market to react fully to the event.

The Portfolio Manager assimilates the information gathered with respect to a potential investment and establishes target prices at which to buy and sell (or sell short and cover). Finally, the Portfolio Manager compares the investment opportunity with other similar short-term event-specific opportunities in the market to determine which appear to represent the best investments.

In instances where the Fund invests in securities as a result of catalysts external to a company, such as an interest rate move, the Fund may attempt to maximize the impact of these catalysts by acquiring (or selling short) securities in a number of companies that could be expected to show stock price gains (or losses) as a result of the presence of the catalyst. Often times, the determination to invest is made utilizing a “top-down” approach (*i.e.*, focusing on sector trends rather than individual issuers). For example, lower interest rates might be an external catalyst in the housing industry and so the Fund might establish positions in the stocks of a number of the leading home builders. The intention of such investment would be to benefit from the anticipated stock price movement as investors consider the particular industry. This type of investing can be contrasted with investing that relies on more fundamental “bottom-up” analysis, whereby investments are purchased based upon the individual merit of the company based upon analysis that indicates that the stock is underpriced.

The Fund invests in catalyst situations shortly after identification of the event or occurrence, depending upon the duration of the analysis, the price of such securities, any change in price that may already have taken place, the anticipated change in price and the level of the securities markets generally. Most of the securities in which the Fund invests will experience the full extent of price movement within a short time after the event or occurrence. The Fund intends to divest its position when all or a significant portion of the anticipated price movement has occurred.

The Fund may also invest in securities where there is no catalyst present, such as trading positions in securities that the Portfolio Manager considers to be temporarily underpriced, including securities that experience aberrant price change due to what the Portfolio Manager believes to be the market’s overreaction to a pessimistic earnings forecast, the announcement of a smaller than anticipated dividend or some other unexpected adverse development.

The Fund may invest up to 10% of its capital in non-United States dollar denominated foreign securities. Investing in foreign securities involves certain risks that are not usually associated with investments in securities of United States issuers, including exchange control regulations, the possibility of expropriation decrees, more limited information about foreign issuers, different accounting standards and smaller, less liquid markets.

The Fund’s portfolio includes as investments long and short positions in stocks, long put and call positions, and covered and uncovered put and call options. The seller of an uncovered put option assumes the risk of a decline in the market price of the underlying security below the exercise price of the option. In addition, if deemed appropriate by OCM, the Fund may borrow to make investments and engage in various hedging transactions. These investment techniques may subject the Fund to greater risk than a fund that does not engage in these investment techniques. The Fund maintains a diversified portfolio and generally does not invest more than 10% of its capital (unleveraged) in securities of any one issuer or more than one-third of its capital

(unleveraged) in securities of issuers in a particular industry (other than U.S. Government securities, money market funds or other money market instruments).

B. Material, Significant or Unusual Risks Relating to Investment Strategies

Limited Diversification

The Fund generally does not invest more than 10% of its capital (unleveraged) in securities of any one issuer or more than one-third of its capital (unleveraged) in securities of issuers in a particular industry (other than U.S. Government securities, money market funds or other money market instruments). To the extent that a relatively high percentage of the Fund's assets may be invested in the securities of a limited number of issuers, and within particular sectors of various industries, the Fund's investment portfolio will be more susceptible to any single economic, political or regulatory occurrence than would be the case if the Fund's portfolio were required to be more diversified.

Leverage

The Fund may borrow money to purchase securities, a practice known as "leverage," which involves certain risks. In this regard, the Fund may make margin purchases of securities, borrow money from banks and enter into reverse repurchase agreements. The Fund may also borrow money for temporary or emergency purposes or in connection with the repurchase of Interests. Trading equity securities on margin involves an initial cash requirement representing at least 50% of the underlying security's value with respect to transactions in U.S. markets and varying (typically lower) percentages with respect to transactions in foreign markets. Borrowings to purchase equity securities typically will be secured by the pledge of those securities. The financing of securities purchases may also be effected through reverse repurchase agreements with banks, brokers and other financial institutions. Although leverage will increase investment return if the Fund earns a greater return on the investments purchased with borrowed funds than it pays for the use of those funds, the use of leverage will decrease investment return if the Fund fails to earn as much on investments purchased with borrowed funds as it pays for the use of those funds. The use of leverage will therefore magnify the volatility of changes in the value of the Fund's investment portfolio. If the Fund's equity or debt instruments decline in value, the Fund could be subject to a "margin call" or "collateral call," pursuant to which the Fund must either deposit additional collateral with the lender or suffer mandatory liquidation of the pledged securities to compensate for the decline in value. In the event of a sudden, precipitous drop in value of the Fund's assets, the Fund might not be able to liquidate assets quickly enough to pay off its borrowing. Money borrowed for leveraging will be subject to interest costs that may or may not be recovered by the return on the securities purchased. The Fund also may be required to maintain minimum average balances in connection with its borrowings or to pay a commitment or other fee to maintain a line of credit; either of these requirements would increase the cost of borrowing over the stated interest rate. In order to obtain "leveraged" market exposure in certain investments and to

increase the overall return to the Fund of various investments, the Fund may purchase options and other synthetic instruments. These instruments may also involve significant economic leverage and therefore may, in some cases, involve significant risks of loss.

Short Sales

The Fund may attempt to limit exposure to a possible market decline in the value of its portfolio securities through short sales of securities that OCM (subject to any policies established by OCM) believes possess volatility characteristics similar to those being hedged. In addition, the Fund may use short sales for non-hedging purposes to pursue its investment objective. For example, the Fund may “short” a security of a company if OCM believes the security is over-valued in relation to the issuer’s prospects for earnings growth. To effect a short sale, the Fund will borrow a security from a brokerage firm to make delivery to the buyer. The Fund is then obligated to replace the borrowed security by purchasing it at the market price at the time of replacement. The Fund will realize a gain if the borrowed security declines in price between the date of the short sale and the date on which the Fund replaces the security. The Fund will incur a loss if the price of the borrowed security increases between those dates. This loss can increase rapidly and without effective limit. The amount of any gain will be decreased, and the amount of any loss increased, by the amount of any premium or interest the Fund may be required to pay in connection with a short sale. There is a risk that the borrowed securities would need to be returned to the brokerage firm on short notice. If a request for return of securities occurs at a time when other short sellers of the subject security are receiving similar requests, a “short squeeze” can occur, and the Fund might be compelled, at the most disadvantageous time, to replace borrowed securities previously sold short with purchases on the open market, possibly at prices significantly in excess of the price at which the securities were sold short. The successful use of short selling may be adversely affected by imperfect correlation between movements in the price of the security sold short and the securities being hedged. Short selling may exaggerate the volatility of the Fund’s investment portfolio. Short selling may also produce higher than normal portfolio turnover and may result in increased transaction costs to the Fund.

When-Issued and Forward Commitment Securities

The Fund may purchase securities on a “when-issued” basis and may purchase or sell securities on a “forward commitment” basis in order to hedge against anticipated changes in interest rates and prices. These transactions involve a commitment by the Fund to purchase or sell securities at a future date (ordinarily one or two months later). The price of the underlying securities, which is generally expressed in terms of yield, is fixed at the time the commitment is made, but delivery and payment for the securities takes place at a later date. No income accrues on securities that have been purchased pursuant to a forward commitment or on a when-issued basis prior to delivery to the Fund. When-issued securities and forward commitments may be sold prior to the settlement date. If the Fund disposes of the right to acquire a when-issued security prior to its acquisition or disposes of its right to deliver or receive against a forward commitment, it may incur a gain or loss. These transactions will be subject to the Fund’s limitation on indebtedness unless, at the time the Fund enters into such a transaction, a

segregated account consisting of cash, U.S. Government Securities or liquid securities equal to the value of the when-issued or forward commitment securities is established and maintained. There is a risk that securities purchased on a when-issued basis may not be delivered and that the purchaser of securities sold by the Fund on a forward basis will not honor its purchase obligation. In these cases, the Fund may incur a loss.

Temporary Investments and Cash Positions

For defensive purposes, the Fund may temporarily invest all or a substantial portion of its assets in high quality debt securities, including money market instruments, or may hold cash or cash equivalents in such amounts as OCM deems appropriate under the circumstances. The Fund may invest defensively or maintain substantial cash positions for extended periods of time based on the judgment of the Fund's investment General Partner. Securities will be deemed to be of high quality if they are rated in the top three categories by an NRSRO or, if unrated, are determined to be of comparable quality by OCM. Money market instruments are high quality, short-term debt obligations (which generally have remaining maturities of one year or less), and may include: U.S. Government Securities; commercial paper; certificates of deposit and banker's acceptances issued by domestic branches of United States banks that are members of the Federal Deposit Insurance Corporation; and repurchase agreements for U.S. Government Securities. In lieu of purchasing money market instruments, the Fund may purchase shares of money market mutual funds that invest primarily in U.S. Government Securities and repurchase agreements involving those securities. The Fund may also invest in money market instruments, purchase shares of money market mutual funds or hold cash pending investment of its assets in equity securities or to maintain liquidity or for other purposes.

C. Material Risks Involving Specific Investments Recommended

Equity Securities

A significant portion of the Fund's investment portfolio normally will consist of long and short positions in common stocks and other equity securities. The values of equity securities change in response to many factors, including, but not limited to, the activities and financial condition of individual companies, the business market in which individual companies compete and general market and economic conditions. The Fund's investments in equity securities of U.S. companies will include securities that are listed on U.S. securities exchanges as well as unlisted securities that are traded over-the-counter. Equity securities of companies traded over-the-counter may not be traded in the volumes typically found on a national securities exchange. Consequently, the Fund may be required to dispose of these securities over a longer (and potentially less favorable) period of time than is required to dispose of the securities of exchange listed companies. There is no minimum required market capitalization of the companies in which the Fund may invest, and the Fund may invest a significant portion of its assets in securities of companies having smaller market capitalization. Investments in companies with smaller market capitalizations are generally riskier than investments in larger, well-established

companies. Smaller companies often are more recently formed than larger companies and may have limited product lines, distribution channels and financial and managerial resources. There is often less publicly available information about these companies than there is for larger, more established issuers, making it more difficult for OCM to analyze the value of the Fund.

The equity securities of smaller companies are often traded over-the-counter or on regional exchanges and may not be traded in the volume typical for securities that are traded on a national securities exchange. Consequently, the Fund may be required to sell these securities over a longer period of time (and potentially at less favorable prices) than would be the case for securities of larger companies. In addition, the prices of the securities of smaller companies may be more volatile than those of larger companies.

Common Stocks. Common stocks are shares of a corporation or other entity that entitle the holder to a pro rata share of the profits, if any, of the entity without preference over any other shareholder or claim of shareholders, after making required payments to holders of the entity's preferred stock and other senior equity. Common stock usually carries with it the right to vote and frequently an exclusive right to do so.

Preferred Stocks. Preferred stock generally has a preference over an issuer's common stock as to dividends and upon the event of liquidation, but it ranks junior to debt securities in an issuer's capital structure. Preferred stock generally pays dividends in cash (or additional shares of preferred stock) at a defined rate, but unlike interest payments on debt securities, preferred stock dividends are payable only if declared by the issuer's board of directors. Dividends on preferred stock may be cumulative, meaning that, in the event the issuer fails to make one or more dividend payments on the preferred stock, no dividends may be paid on the issuer's common stock until all unpaid preferred stock dividends have been paid. Preferred stock may also be subject to optional or mandatory redemption provisions.

Convertible Securities. Convertible securities are bonds, debentures, notes, preferred stocks or other securities that may be converted into or exchanged for a specified amount of common stock of the same or different issuer within a particular period of time at a specified price or formula. A convertible security entitles the holder to receive interest that is generally paid or accrued on debt or a dividend that is paid or accrued on preferred stock until the convertible security matures or is redeemed, converted or exchanged. Convertible securities have unique investment characteristics, in that they generally (1) have higher yields than common stocks, but lower yields than comparable non-convertible securities, (2) are less subject to fluctuation in value than the underlying common stock due to their debt characteristics and (3) provide the potential for capital appreciation if the market price of the underlying common stock increases. The value of a convertible security is a function of its "investment value" (determined by its yield in comparison with the yields of other securities of comparable maturity and quality that do not have a conversion privilege) and its "conversion value" (the security's worth, at market value, if converted into the underlying common stock). The investment value of a convertible security is influenced by changes in interest rates, with investment

value declining as interest rates increase and increasing as interest rates decline. The credit standing of the issuer and other factors may also have an effect on the convertible security's investment value. The conversion value of a convertible security is determined by the market price of the underlying common stock. If the conversion value is low relative to the investment value, the price of the convertible security is governed principally by its investment value. Generally, the conversion value decreases as the convertible security approaches maturity. To the extent the market price of the underlying common stock approaches or exceeds the conversion price, the price of the convertible security will be increasingly influenced by its conversion value. A convertible security generally will sell at a premium over its conversion value by the extent to which investors place value on the right to acquire the underlying common stock while holding a debt security.

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

Bonds and Other Debt Securities

The Fund may invest a portion of its assets in bonds and other debt securities when, in the judgment of OCM (subject to any policies established by OCM), such investments are warranted. In addition, the Fund may invest without limit in high quality debt securities for temporary defensive purposes and to maintain liquidity. Debt securities include, among other securities: bonds, notes and debentures issued by corporations; debt securities issued or guaranteed by the U.S. Government or one of its agencies or instrumentalities ("U.S. Government Securities") or by a foreign government; municipal securities; and mortgage-backed and asset-backed securities. These securities may pay fixed, variable or floating rates of interest, and may include zero coupon obligations. Debt securities are subject to the risk of the issuer's inability to meet principal and interest payments on its obligations (*i.e.*, credit risk) and are subject to price volatility due to such factors as interest rate sensitivity, market perception of the creditworthiness of the issuer and general market liquidity (*i.e.*, market risk).

The Fund may invest in both investment grade and non-investment grade debt securities. Investment grade debt securities are securities that have received a rating from at least one nationally recognized statistical rating organization ("NRSRO") in one of the four highest rating categories or, if not rated by any NRSRO, have been determined by OCM to be of comparable quality. Non-investment grade debt securities (typically called "junk bonds") are securities that have received a rating from a NRSRO of below investment grade or have been given no rating, and are considered by the NRSRO to be predominantly speculative with respect to the issuer's capacity to pay interest and repay principal. Non-investment grade debt securities in the lowest rating categories may involve a substantial risk of default or may be in default. Adverse changes in economic

conditions or developments regarding the individual issuer are more likely to cause price volatility and weaken the capacity of the issuers of noninvestment grade debt securities to make principal and interest payments than is the case for higher grade debt securities. An economic downturn affecting an issuer of non-investment grade debt securities may result in an increased incidence of default. In addition, the market for lower grade debt securities may be thinner and less active than for higher-grade debt securities.

Foreign Securities

The Fund may invest up to 10% of its capital in non-United States dollar denominated foreign securities. The Fund may invest in securities of foreign issuers and in depositary receipts, such as American Depositary Receipts (“ADRs”), that represent indirect interests in securities of foreign issuers. Foreign securities in which the Fund may invest may be listed on foreign securities exchanges or traded in foreign over-the-counter markets. Investments in foreign securities are affected by risk factors generally not thought to be present in the U.S. These factors include, but are not limited to, the following: varying custody, brokerage and settlement practices; difficulty in pricing; less public information about issuers of foreign securities; less governmental regulation and supervision over the issuance and trading of securities than in the U.S.; the unavailability of financial information regarding the foreign issuer or the difficulty of interpreting financial information prepared under foreign accounting standards; less liquidity and more volatility in foreign securities markets; the possibility of expropriation or nationalization; the imposition of withholding and other taxes on interest, dividends, capital gains or other income; adverse political, social or diplomatic developments; limitations on the movement of funds or other assets of the Fund between different countries; difficulties in invoking legal process abroad and enforcing contractual obligations; and the difficulty of assessing economic trends in foreign countries. Moreover, governmental issuers of foreign securities may be unwilling to repay principal and interest due, and may require that the conditions for payment be renegotiated. Investment in foreign countries also involves higher brokerage and custodian expenses than does investment in domestic securities. Other risks of investing in foreign securities include changes in currency exchange rates (in the case of securities that are not denominated in U.S. dollars) and currency exchange control regulations or other foreign or U.S. laws or restrictions, or devaluations of foreign currencies. A decline in the exchange rate would reduce the value of certain of the Fund’s foreign currency denominated portfolio securities irrespective of the performance of the underlying investment. In addition, the Fund may incur costs in connection with conversion between various currencies. The foregoing risks may be greater in emerging industrialized and less developed countries.

The Fund may enter into forward currency exchange contracts (“forward contracts”) for hedging purposes and non-hedging purposes to pursue its investment objective. Forward contracts are transactions involving the Fund’s obligation to purchase or sell a specific currency at a future date at a specified price. Forward contracts may be used by the Fund for hedging purposes to protect against uncertainty in the level of future foreign currency exchange rates, such as when the Fund anticipates purchasing or selling

a foreign security. This technique would allow the Fund to “lock in” the U.S. dollar price of the security. Forward contracts may also be used to attempt to protect the value of the Fund’s existing holdings of foreign securities. There may be, however, imperfect correlation between the Fund’s foreign securities holdings and the forward contracts entered into with respect to those holdings. Forward contracts may also be used for non-hedging purposes to pursue the Fund’s investment objective (subject to any policies established by OCM), such as when OCM anticipates that particular foreign currencies will appreciate or depreciate in value, even though securities denominated in those currencies are not then held in the Fund’s investment portfolio. There is no requirement that the Fund hedge all or any portion of its exposure to foreign currency risks.

Repurchase Agreements

Repurchase agreements are agreements under which the Fund purchases securities from a bank that is a partner of the Federal Reserve System, a foreign bank or a securities dealer that agrees to repurchase the securities from the Fund at a higher price on a designated future date. If the seller under a repurchase agreement becomes insolvent, the Fund’s right to dispose of the securities may be restricted, or the value of the securities may decline before the Fund is able to dispose of them. In the event of the commencement of bankruptcy or insolvency proceedings with respect to the seller of the securities before the repurchase of the securities under a repurchase agreement is accomplished, the Fund may encounter a delay and incur costs, including a decline in the value of the securities, before being able to sell the securities. If the seller defaults, the value of such securities may decline before the Fund is able to dispose of them. If the Fund enters into a repurchase agreement that is subject to foreign law and the other party defaults, the Fund may not enjoy protections comparable to those provided to certain repurchase agreements under U.S. bankruptcy law, and may suffer delays and losses in disposing of the collateral as a result.

Reverse Repurchase Agreements

Reverse repurchase agreements involve the Fund’s sale of a security to a bank or securities dealer and the Fund’s simultaneous agreement to repurchase that security for a fixed price (reflecting a market rate of interest) on a specific date. These transactions involve a risk that the other party to a reverse repurchase agreement will be unable or unwilling to complete the transaction as scheduled, which may result in losses to the Fund. Reverse repurchase transactions are a form of leverage that may increase the volatility of the Fund’s investment portfolio.

Restricted and Illiquid Investments

Although the Fund will invest primarily in publicly traded securities, it may also invest in restricted securities and other investments that are illiquid. Restricted securities are securities that may not be sold to the public without an effective registration statement under the Securities Act of 1933 (“1933 Act”) or, if they are unregistered, may be sold only in a privately negotiated transaction or pursuant to an exemption from registration.

In recognition of the increased size and liquidity of the institutional markets for unregistered securities and the importance of institutional investors in the formation of capital, the Securities and Exchange Commission (“SEC”) has adopted Rule 144A under the 1933 Act, which is designed to further facilitate efficient trading among qualified institutional investors by permitting the sale of certain unregistered securities to qualified institutional buyers. To the extent privately placed securities held by the Fund qualify under Rule 144A, and an institutional market develops for those securities, the Fund likely will be able to dispose of the securities without registering them under the 1933 Act. To the extent that qualified institutional buyers become, for a time, uninterested in purchasing these securities, investing in Rule 144A securities could have the effect of increasing the level of the Fund’s illiquidity. Foreign securities that can be freely sold in the markets in which they are principally traded are not considered by the Fund to be restricted or illiquid.

Where registration is required to sell a security, the Fund may be obligated to pay all or part of the registration expenses, and a considerable period may elapse between the decision to sell and the time the Fund may be permitted to sell a security under an effective registration statement. If, during such period, adverse market conditions were to develop, the Fund might obtain a less favorable price than prevailed when it decided to sell. Restricted securities for which no market exists and other illiquid investments are valued at fair value as determined in accordance with procedures approved and periodically reviewed by OCM. Restricted securities and other illiquid investments involve the risk that the securities will not be able to be sold at the time desired by OCM or at prices approximating the value at which the Fund is carrying the securities. As a result, in determining the proportion of the value of its total assets that will be invested in restricted and other illiquid investments, the Fund will consider the need to maintain an adequate level of liquidity in its portfolio in order to fund the repurchase of interests from Partners without unnecessarily adversely impacting the value of the Fund’s portfolio. It is not expected that the Fund will invest all or a substantial portion of the value of its total assets in such restricted or other illiquid investments.

Special Investment Instruments and Techniques

The Fund may utilize a variety of special investment instruments and techniques to hedge its investment portfolio against various risks (such as changes in interest rates or other factors that affect security values) or for non-hedging purposes to pursue the Fund’s investment objective. These strategies may be executed through derivative transactions. The instruments the Fund may use and the particular manner in which they may be used may change over time as new instruments and techniques are developed or regulatory changes occur. Certain of the special investment instruments and techniques that the Fund may use are speculative and involve a high degree of risk, particularly in the context of non-hedging transactions to pursue the Fund’s investment objective. There is no requirement that the Fund hedge its portfolio or any of its investment positions.

Call and Put Options on Individual Securities. The Fund may purchase call and put options in respect of specific securities, and may write and sell covered or uncovered

call and put options for hedging purposes and non-hedging purposes to pursue its investment objective. A put option gives the purchaser of the option the right to sell, and obligates the writer to buy, the underlying security at a stated exercise price at any time prior to the expiration of the option. Similarly, a call option gives the purchaser of the option the right to buy, and obligates the writer to sell, the underlying security at a stated exercise price at any time prior to the expiration of the option.

A covered call option written by the Fund is a call option with respect to which the Fund owns the underlying security. The sale of such an option exposes the Fund during the term of the option to possible loss of opportunity to realize appreciation in the market price of the underlying security or to possible continued holding of a security that might otherwise have been sold to protect against depreciation in the market price of the security.

A covered put option written by the Fund is a put option with respect to which cash or liquid securities have been placed in a segregated account on the Fund's books or with the Fund's custodian to fulfill the obligation undertaken. The sale of such an option exposes the Fund during the term of the option to a decline in price of the underlying security while depriving the Fund of the opportunity to invest the segregated assets. The Fund may close out a position when writing options by purchasing an option on the same security with the same exercise price and expiration date as the option that it has previously written on the security. The Fund will realize a profit or loss if the amount paid to purchase an option is less or more, as the case may be, than the amount received from the sale thereof. To close out a position as a purchaser of an option, the Fund would ordinarily make a similar "closing sale transaction," which involves liquidating the Fund's position by selling the option previously purchased, although the Fund would be entitled to exercise the option should it deem it advantageous to do so. The Fund may also invest in so-called "synthetic" options or other derivative instruments written by broker-dealers. Options transactions may be effected on securities exchanges or in the over-the-counter market. When options are purchased over-the-counter, the Fund bears the risk that the counterparty that wrote the option will be unable or unwilling to perform its obligations under the option contract. These options may also be illiquid and, in such cases, the Fund may have difficulty closing out its position. Over-the-counter options purchased and sold by the Fund may also include options on baskets of specific securities.

Warrants and Rights. Warrants are derivative instruments that permit, but do not obligate, the holder to subscribe for other securities or commodities. Rights are similar to warrants, but normally have a shorter duration and are offered or distributed to shareholders of a company. Warrants and rights do not carry with them the right to dividends or voting rights with respect to the securities that they entitle the holder to purchase, and they do not represent any rights in the assets of the issuer. As a result, warrants and rights may be considered more speculative than certain other types of equity-like securities. In addition, the values of warrants and rights do not necessarily change with the value of the underlying securities or commodities and these instruments cease to have value if they are not exercised prior to their expiration dates.

Call and Put Options on Securities Indices. *The Fund may purchase and sell call and put options on stock indices (such as the Standard & Poor's Composite Index of 500 Stocks (the "S&P 500") or the Standard & Poor's 100 Index) listed on national securities exchanges or traded in the over-the-counter market for hedging purposes and non-hedging purposes to pursue its investment objective. A stock index fluctuates with changes in the market values of the stocks included in the index. The effectiveness of purchasing or writing stock index options for hedging purposes will depend upon the extent to which price movements in the Fund's portfolio correlate with price movements of the stock index selected. Because the value of an index option depends upon movements in the level of the index rather than the price of a particular stock, whether the Fund will realize a gain or loss from the purchase or writing of options on an index depends upon movements in the level of stock prices in the stock market generally or, in the case of certain indexes, in an industry or market segment, rather than movements in the price of a particular stock. Accordingly, successful use by the Fund of options on stock indexes will be subject to OCM's ability to predict correctly movements in the direction of the stock market generally or of a particular industry or market segment.*

Additional Derivative Transactions. *The Fund may take advantage of opportunities in the area of swaps, options on various underlying instruments, swaptions and certain other customized derivative instruments. In addition, the Fund may take advantage of opportunities with respect to certain other derivative instruments that are not presently contemplated for use by the Fund or which are currently not available, but which may be developed, to the extent such opportunities are both consistent with the Fund's investment objective and legally permissible for the Fund. Special risks may apply to instruments that are invested in by the Fund in the future, which risks cannot be determined at this time or until such instruments are developed or invested in by the Fund.*

A swap is a contract under which two parties agree to make periodic payments to each other based on specified interest rates, an index or the value of some other instrument, applied to a stated, or "notional", amount. Swaps generally can be classified as interest rate swaps, currency swaps, commodity swaps or equity swaps, depending on the type of index or instrument used to calculate the payments. Such swaps would increase or decrease the Fund's investment exposure to the particular interest rate, currency, commodity or equity involved. A swaption is an option entitling one party to enter into a swap agreement with the counterparty. In addition to swaps and swaptions, the Fund may become a party to various other customized derivative instruments entitling the counterparty to certain payments on the gain or loss on the value of an underlying or referenced instrument. Certain swaps, options and other derivative instruments may be subject to various types of risks, including market risk, liquidity risk, counterparty credit risk, legal risk and operations risk. In addition, swaps and other derivatives can involve significant economic leverage and may, in some cases, involve significant risks of loss.

ITEM 9. DISCIPLINARY INFORMATION

None.

ITEM 10. OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS

A. Broker Dealer Registration Status

Bryan E. McKigney, Chief Operations Officer of OCM, and Jeffrey Alfano, Chief Financial Officer of OCM, is a registered representative of Oppenheimer but does not do business in that capacity.

B. Futures Commission Merchant, Commodity Pool Operator or Commodity Trading Adviser Registration Status

Bryan E. McKigney, Chief Operations Officer of OCM, is an associated person of Advantage Advisers Multi-Manager, LLC (an affiliate of OCM), a registered commodity pool operator, commodity trading advisor and National Futures Association (“NFA”) member approved.

C. Material Relationships or Arrangements with Industry Participants

OAM

OAM is the general partner of (and therefore controls) OCM and oversees OCM’s provision of investment advisory services to the Fund. OAM is an affiliate of OPY, a publicly traded company listed on the NYSE. Oppenheimer, the principal subsidiary of OPY, is a full service, self-clearing securities brokerage firm headquartered in New York, and is a registered broker-dealer, a partner of the NASD and is registered as an investment General Partner under the Advisers Act. Oppenheimer is a partner firm of the New York Stock Exchange (the “NYSE”) and all principal U.S. exchanges, registered as a broker-dealer and member of Financial Industry Regulatory Authority, Inc. (“FINRA”), and registered as a Futures Commission Merchant with the Commodity Futures Trading Commission (“CFTC”).

In addition to serving as the managing partner of OCM, OAM (directly or through its affiliates, including OCM) carries on substantial investment activities for its own account and for other registered investment companies, private investment funds, institutions and individual clients. The Fund has no interest in these activities. Officers or employees of OAM who assist OAM in its oversight of OCM will be engaged in substantial activities other than on behalf of OCM and may have conflicts of interest in allocating their time and activity between OCM and OAM clients. Nevertheless, OAM and its officers and employees will devote so much time to the affairs of OCM as in their judgment is necessary and appropriate.

Situations may arise in which accounts affiliated with OAM or its affiliates have purchased securities that would have been suitable for investment by the Fund but which the Fund, for various reasons, did not choose to purchase. This could affect the availability or price of investments of the Fund at a later time. From time to time, in the course of its brokerage, investment or dealer activities, OAM or its affiliates may trade,

position or invest in, for its own account, the same securities as those in which the Fund invests. This could have an adverse impact on the Fund's investment performance.

Oppenheimer

Oppenheimer is a wholly-owned subsidiary of Viner Finance, Inc., which in turn is wholly-owned by E.A. Viner International Co., which in turn is wholly-owned by OPY. In excess of 50% of the Class B (voting) shares of Oppenheimer are owned by Phase II Financial Ltd., an Ontario corporation controlled by Albert G. Lowenthal; in excess of 44% of the Class B (voting) shares of Oppenheimer are owned by Elka Estates Limited, an Ontario corporation which is controlled by Olga Roberts.

Oppenheimer acts as the non-exclusive placement agent for the Fund and bears costs associated with its activities as placement agent. Oppenheimer intends to compensate Oppenheimer Financial Advisors for their ongoing servicing of the accounts of investors with whom they have placed interests. Oppenheimer compensates its Financial Advisors based upon a formula that takes into account the amount of client assets being serviced as well as the investment results attributable to client's assets invested in the Fund. In addition, in connection with initial and additional investments, investors may be charged sales commissions (up to 3% of the amounts transmitted in connection with their subscriptions (up to 3.1% of the amounts invested), in the sole discretion of their Financial Advisors. This compensation may be greater than what they would receive if the client participated in other collective investment vehicles or advisory programs. A financial incentive to recommend the purchase of shares in the Fund over other investments or advisory services may result, which presents a conflict of interest.

Oppenheimer carries on substantial investment activities (for its own account and for clients of Oppenheimer) in which the Fund has no interest. Situations may arise in which accounts affiliated with Oppenheimer have purchased securities that would have been suitable for investment by the Fund but which the Fund, for various reasons, did not choose to purchase. This could affect the availability or price of investments to the Fund at a later time. From time to time, in the course of its brokerage, investment or dealer activities, Oppenheimer may trade, position or invest in, for its own account, the same securities as those in which the Fund invests. This could have an adverse impact on the Fund's investment performance.

Portfolio Manager

The Fund's portfolio manager is Sanford B. Prater, the principal of the investment advisory firm Ridgecrest Investment Management, L.L.C. and Lonesome Pine Investment Management, L.L.C. Mr. Prater was a senior partner of Ardsley Partners from 1994 to 1998, where he was a generalist equity portfolio manager. Prior to his tenure at Ardsley Partners, he was with Oppenheimer where he served in a variety of capacities including: President of Oppenheimer Investment Advisors, Co-Chairman of Oppenheimer's Investment Policy Committee and Portfolio Manager of the Fund.

Conflicts of interest may arise because in addition to the Portfolio Manager's responsibilities to the Fund, (i) he will continue to serve as the Portfolio Manager of Advantage Advisers Catalyst International, Ltd., which has the same investment objective and program as the Fund and which is expected to purchase securities which are also suitable for investment by the Fund, and (ii) he and other principals of the Prater Affiliates may maintain accounts at Oppenheimer or elsewhere for other clients, themselves, and members of their families. The Portfolio Manager and the Prater Affiliates provide investment advisory services to other private investment partnerships that have a similar investment strategy to that of the Fund, and may in the future provide such services to other funds or accounts.

From time to time, the Fund may buy or sell securities which Oppenheimer, the Portfolio Manager, the Prater Affiliates or their clients may be selling or buying, but it will neither trade as principal with the Fund nor effect, as broker, agency cross-transactions where it acts on behalf of the Fund and as investment adviser to the other party to the transaction (absent review and approval by a majority in interest, or a representative committee of the investors of the Fund to the extent required under the Advisers Act).

ITEM 11. CODE OF ETHICS, PARTICIPATION OR INTEREST IN CLIENT TRANSACTIONS AND PERSONAL TRADING

OCM has adopted a written Code of Ethics pursuant to Rule 204A-1 under the Advisers Act. A copy of the Code of Ethics is provided upon request to any client or prospective client. The purpose of the Code is to set forth standards of conduct expected of advisory personnel and address conflicts, such as front running, that arise from personal trading by advisory personnel. The Code of Ethics addresses these conflicts as follows:

1. Certain advisory personnel with access to the securities trading of the funds or advisory clients are deemed as "access persons";
2. These access persons of OCM are required to certify that they are in compliance with the Code of Ethics on an annual basis;
3. Access persons are also required to provide compliance personnel with brokerage accounts through which they conduct personal trading; and
4. Access persons are required to obtain written pre-clearance by compliance personnel of all personal securities transactions (other than certain exceptions to this requirement as defined in the Code).

OCM and its related persons are engaged or may engage in investment activities for private investment companies, other registered investment companies, other accounts that may pursue investment strategies similar to those of the Fund or for its own accounts or other related accounts, in which the Fund has no interest. These accounts may from time to time purchase, sell or hold certain investments which are also being purchased, sold or held by the Fund.

The Fund is recommended by Financial Advisors of Oppenheimer, who are related persons of OCM. Oppenheimer acts as the placement agent for the sale of interests in collective investment vehicles for which OCM or other affiliates of Oppenheimer serve as investment adviser or general partner. Financial Advisors of Oppenheimer receive a portion of the fees paid to the investment adviser or general partner with respect to client accounts in such funds.

OCM has a financial interest in the Fund, which it serves in an advisory capacity. OCM's advisory role and related compensation is disclosed in the relevant private placement memorandum or accompanying fund organization document and those documents are provided to each prospective client prior to investment in the Fund. OCM's employees devote as much of their time to the activities of the Fund as OCM deems necessary and appropriate.

ITEM 12. BROKERAGE PRACTICES

A. Factors Considered in Selecting or Recommending Broker Dealers for Client Transactions

OCM has delegated to the Portfolio Manager the authority to select broker-dealers to be used for all transactions of the Fund. The particular securities and the amounts of such securities to be purchased and sold are determined by the Portfolio Manager, consistent with the Fund's investment objectives, policies, and restrictions.

ITEM 13. REVIEW OF ACCOUNTS

A. Frequency and Nature of Review of Client Accounts or Financial Plans

The Portfolio Manager reviews the Fund's investments on a day-to-day basis to verify prior trading and to determine whether securities positions should be held in view of current market conditions.

B. Content and Frequency of Account Reports to Clients

| Within 60 days After End of Each of the First 3 Calendar Quarters in Each Fiscal Year | Within 90 Days After End of Fiscal Year |
|---|--|
| The Fund mails to each investor: (i) an unaudited financial report setting forth a balance sheet of the Fund; (ii) a statement of operations; and (iii) a statement of changes in investor's capital. | The Fund prepares and mails to each investor, together with the report prepared by the Fund's independent accountants: (i) a financial report setting forth a balance sheet of the Fund; and (ii) a statement of operations; and (iii) a statement of changes in investor's capital. |

Within 90 days of the end of each such fiscal year, each investor receives tax information for preparation of their respective tax returns.

All financial reports to the investors are accompanied by a report from OCM regarding the Fund's performance.

ITEM 14. CLIENT REFERRALS AND OTHER COMPENSATION

A. Economic Benefits for Providing Services to Clients

OCM does not receive economic benefits from non-clients for providing investment advice or other advisory services to clients.

B. Compensation to Non-Supervised Persons for Client Referrals

Oppenheimer is the non-exclusive placement agent for the Fund and bears costs associated with its activities as placement agent. Oppenheimer compensates its Financial Advisors for their ongoing servicing of accounts of investors with whom they have placed interests. Oppenheimer compensates its Financial Advisors based upon a formula that takes into account the amount of client assets being serviced as well as the investment results attributable to clients' assets invested in the Fund. In addition, in connection with initial and additional investments, investors may be charged sales commissions of up to 3% of the amounts transmitted in connection with their subscriptions (up to 3.1% of the amounts invested) in the sole discretion of their Financial Advisors.

ITEM 15. CUSTODY

Under SEC rules, as General Partner, OCM is deemed to have custody of Fund client assets. Morgan Stanley & Co., Incorporated, a qualified custodian, maintains the assets held by the Fund. The Fund is subject to an annual audit, and OCM distributes each of the Fund's audited financial statements to the Fund's investors within 120 days of the Fund's fiscal year end. Such financial statements are prepared in accordance with generally accepted accounting principles (GAAP) and audited by Ernst & Young LLP, an independent public accountant registered with and subject to regular inspection by the Public Company Accounting Oversight Board. Upon liquidation, the Fund distributes its audited financial statements prepared in accordance with GAAP to all investors promptly after the completion of such audit.

ITEM 16. INVESTMENT DISCRETION

OCM has delegated discretionary authority in managing the Fund to the Portfolio Manager.

ITEM 17. VOTING CLIENT SECURITIES

A. Policies and Procedures Relating to Voting Client Securities

OCM manages the Fund's portfolio under the general supervision of OAM, the general partner of OCM. OAM is the managing member, partner or owner of other affiliated investment advisers that exercise discretion over securities held in their clients' portfolios. Pursuant to 206(4)-6 under the Advisers Act, OCM and these affiliated advisers must adopt proxy voting policies and procedures. However, since investment discretion over the Fund's account is exercised by the Portfolio Manager, the proxy voting policies and procedures of the Portfolio Manager, and not of OCM, apply to the Fund.

ITEM 18. FINANCIAL INFORMATION

Not Applicable.