

Item 1
Cover Page

Senator Investment Group LP
Part 2A of Form ADV
The Brochure

510 Madison Avenue
28th Floor
New York, New York 10022
www.senatorlp.com

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This brochure provides information about the qualifications and business practices of Senator Investment Group LP (“Senator”). If you have any questions about the contents of this brochure, please contact us at 212-376-4300. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission (the “SEC”) or by any state securities authority.

Additional information about Senator is also available on the SEC’s website at:
www.adviserinfo.sec.gov.

Item 2

Material Changes

Senator is required to identify and discuss any material changes made to its brochure since its last filing. Since its last filing, Senator has not made any material updates to its brochure; however it has updated some sections of its brochure. Please review this brochure carefully and in its entirety.

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Advisory Business

Senator Investment Group LP is a Delaware limited partnership (“Senator”, the “Adviser”) established in 2008 and owned indirectly by Alexander Klabin and Douglas Silverman (the “Portfolio Managers”). Senator is registered with the SEC as an investment adviser.

Senator provides discretionary investment advisory services to a variety of domestic and offshore private investment vehicles (each a “Fund” and collectively, the “Funds”). The Funds include (1) Senator Global Opportunity Fund LP, a Delaware limited partnership (the “Domestic Global Fund”), (2) Senator Global Opportunity Offshore Fund Ltd, a Cayman Islands exempted company (the “Offshore Global Fund”), (3) Senator Global Opportunity Intermediate Fund L.P., a Cayman Islands exempted limited partnership (the “Intermediate Global Fund”), (4) Senator Global Opportunity Master Fund L.P., a Cayman Islands exempted limited partnership (the “Global Master Fund” and collectively with the Domestic Global Fund, the Offshore Global Fund and the Intermediate Global Fund, the “Global Funds”), (5) Senator Sidecar Fund LP, a Delaware limited partnership (the “Domestic Sidecar Fund”), (6) Senator Sidecar Offshore Fund LP, a Cayman

Islands exempted limited partnership (the “Offshore Sidecar Fund”) and (7) Senator Sidecar Master Fund LP, a Cayman Islands exempted limited partnership (the “Sidecar Master Fund” and collectively with the Domestic Sidecar Fund and the Offshore Sidecar Fund, the “Sidecar Funds”). The Domestic Global Fund invests substantially all of their assets through the Global Master Fund. The Offshore Global Fund will make all of its investments directly, or indirectly through the Intermediate Global Fund which will in turn invest substantially all of its assets in the Global Master Fund. The Domestic Sidecar Fund and the Offshore Sidecar Fund each invest substantially all of its assets through the Sidecar Master Fund. From time-to-time, Senator offers advisory services related to co-investments of the Global Funds and/or Sidecar Funds or other special purpose investment accounts. In addition, Senator currently provides discretionary investment services in connection to K2 Towers Holdings LP, an account which holds a single investment related to the cellphone tower industry.

The Global Funds’ investment objective is to seek to deliver superior absolute returns to investors by employing a global and opportunistic long/short strategy for investing in distressed debt, value equities and event equities. In all of its investing/trading activities, Senator emphasizes capital preservation and seeks to mitigate risk through various hedging strategies at the position and portfolio levels. Senator employs a bottom-up analysis, assessing all components of a company’s capital structure. The conclusions reached from this bottom-up approach are applied to the Global Funds’ three core strategies: (i) long/short distressed debt; (ii) long/short value equities; and (iii) long/short event equities.

The Sidecar Funds’ investment objective is to seek to deliver superior absolute returns to investors by employing a global and opportunistic strategy for investing in “less-than-liquid” situations, including private or illiquid debt and equity investments. Senator will also actively seek opportunities to provide creative capital solutions to corporate issuers and may pursue control private equity positions when Senator believes there is an exceptional opportunity to earn superior risk-adjusted returns. The Sidecar Funds’ portfolio will generally be “long-only”, although Senator may make short sales and will seek to emphasize capital preservation and mitigate risk through investment structuring, portfolio construction and hedging strategies when appropriate. Senator employs a bottom-up analysis, assessing all components of a company’s capital structure. The conclusions reached from this bottom-up approach are then applied to the Sidecar Funds’ investment decisions.

As of March 1, 2013, Senator had approximately \$7.19 billion in regulatory assets under management. All of these assets are managed on a discretionary basis.

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Fees and Compensation

Senator is compensated for providing services to the Funds as set forth in each Fund’s offering materials. The compensation includes both management fees, which are generally payable quarterly in advance, and performance-based allocations. Management fees are 1.5% or 2% per annum depending on the Fund, and may be lower in the cases of co-investment or other special

purpose investment accounts. Management fees are generally paid quarterly in advance, and are calculated on assets under management or invested assets, depending upon the Senator Fund.

Senator or one of its affiliates typically received a performance-based allocation equal to 20% of the net realized and unrealized appreciation in the net asset value of the Funds above a high watermark at the end of each year, although co-investment and other special purpose investment accounts may have lower performance-based allocations. For certain Funds, the incentive allocation is taken only on realized appreciation after the complete return of the initial capital contributions of such Funds' investors. Senator will occasionally earn transaction-related fees for services to portfolio companies, including deal and consulting fees. These fees are generally remitted in their entirety to the applicable Fund to offset management fees.

Fees and compensation paid to Senator or its affiliates by the Funds are generally deducted from the assets of such clients. As discussed above, management fees are generally deducted on a quarterly basis and performance compensation is generally deducted on an annual basis.

In addition to Senator's management fee and performance-based allocations, Fund investors will indirectly bear the fees and expenses charged to the Funds. Those fees will vary, but typically include professional fees such as legal, accounting, valuation and tax fees as well as due diligence and research expenses associated with investments. Prospective and existing investors in the Funds are advised to review the applicable Fund offering materials for a more extensive description of the fees and expenses associated with an investment in the Funds.

Finally, certain investors in the Funds, who are generally employees of the Senator, or related persons or friends, may not be charged management and/or performance-based allocations based on their investment in the Funds. Notwithstanding, such investors will either directly pay for their pro-rata share of Fund expenses, or the pro-rata amount of such expenses will be allocated to Senator.

Item 6

Performance Based Fees and Side-by-Side Management

A description of the performance based compensation is provided in Item 5 above.

The fact that the Senator is in part compensated based on the performance of the Funds may create an incentive for Senator to make investments on behalf of clients that are riskier or more speculative than would be the case in the absence of the performance-based compensation arrangement. Notwithstanding, Senator manages the Funds in accordance with the investment strategy disclosed in the Funds' offering materials to ensure that investors are aware of the investment strategy and the risks associated with the strategy.

Item 7

Types of Clients

Senator's clients are generally Funds formed as partnerships and limited liability companies in U.S. and foreign jurisdictions. The investors in the Funds include among others, U.S. and foreign-based high net worth individuals, corporations, trusts, institutions, financial institutions, and government entities. Although certain Funds' minimum subscription amount is \$5 million, the minimum may be waived in accordance with any applicable provisions in the Funds' offering materials. Further details are available in the Fund's offering documents and subscription agreements.

The Funds and/or Senator will be authorized, without the approval of any investor, to enter into "side letters" or similar written agreements with investors that have the effect of establishing rights under, or altering or supplementing the terms of the applicable offering documents such investor's subscription agreement or other related agreements. The ability of other investors to elect to receive the benefit of such side agreements will be limited.

From time to time, certain firms or individuals that Senator and/or the Funds conduct business with may invest in the Funds. There is a potential conflict of interest arising from such investments in that Senator and/or the Funds may have an incentive to maintain or increase its level of business with such individuals or firms as a result of these investments (e.g., services providers and broker/dealers utilized by Senator). Senator evaluates these relationships on an ongoing basis in the context of these investments in order to ensure that these potential conflicts of interests are mitigated.

Item 8

Methods of Analysis, Investment Strategies and Risk of Loss

Please refer to the Fund's offering documents for a more detailed discussion of our investment strategies and related risk.

Investment Strategy. Senator generally pursues a global and opportunistic strategy for investing in distressed debt, value equities and event equities. Senator will also pursue a global and opportunistic strategy for investing in "less-than-liquid" situations, including private or illiquid debt and equity investments. The Adviser emphasizes capital preservation and seeks to mitigate risk. Senator allocation of capital depends upon where it believes the most attractive risk-adjusted opportunities exist.

This Adviser utilizes an analytical framework that it believes helps to filter out unattractive ideas by addressing the: (i) quality of the business or asset and its management team; (ii) absolute valuation; (iii) likelihood and impact of catalysts; (iv) proprietary nature of the idea and liquidity; and (v) asymmetric return potential. Upon thorough scrutiny of all of these considerations, the Adviser then attempts to select opportunities with the greatest asymmetric upside potential and short opportunities with the greatest asymmetric downside potential.

Investment Risks. An investment in the Funds entails a significant degree of risk and therefore should be undertaken only by investors capable of evaluating the risks of the Funds and bearing the risks it represents. There is no guarantee that our analyses and overall execution of our investment strategies will be successful. The past investment performance of Senator cannot be

taken to guarantee future results of the Funds or any investment in the Funds. Investors could lose some or all of their investment.

Set forth below is a non-exhaustive list of additional risks. Prospective investors are advised to review the applicable Fund offering materials for a more extensive description of the risks of investing in the Funds:

Overall Investment Risk. All investments risk the loss of capital. The nature of the securities to be purchased and traded by the Funds, and the investment techniques and strategies to be employed in an effort to increase profits, may increase this risk. Senator believes that the Funds' investment program, research, and possible board participation may moderate this risk. There can be no assurance, however, that the Funds' program will be successful or that investors in the Funds will realize a profit on their investment. Moreover, investors may lose all or substantially all of their investments in the Funds. Unforeseeable events, including, but not limited to, actions by various government agencies, domestic and international political events and other market disruption events, may cause sharp market fluctuations or interrupt the activities of the Funds and their service providers. Because of the nature of the investment activities, the results of the Funds' operations may fluctuate from month to month and from period to period. Accordingly, investors should understand that the results of a particular period will not necessarily be indicative of results of future periods.

Dependence on Key Personnel. The success of the Funds is largely dependent upon the continued service of the Portfolio Managers, Senator and Senator's principals, associates, and other employees. There can be no assurance that such persons will remain willing or able to provide advice to the Funds. The performance of Senator depends upon certain key personnel, including Douglas Silverman and Alexander Klabin. The loss of the services of one or more of such persons could have a material adverse effect on the Funds.

Possible Economic Downturns. The value of the Funds' investments may fluctuate in accordance with changes in the financial condition of the issuers of the portfolio securities, the value of debt and equity securities in general and other factors that affect the markets in which the Funds invest. Economic slowdowns or downturns could lead to financial losses in the Funds' portfolio securities and net assets of the Funds. In addition, many of the Funds' portfolio securities may be similarly subject to the same economic conditions, which could adversely impact the Funds' returns.

The risks inherent in the investments made by the Funds include those associated with investments in debt and equity securities, including the risk that the financial condition of issuers may become impaired or that the general condition of the debt and equity markets may deteriorate (either of which may cause a decrease in the value of the portfolio securities and thus in the value of the assets of the Funds). Debt and equity securities are susceptible to general stock market fluctuations and to volatile increases and decreases in value as market confidence and perceptions of their issuers change. These investor perceptions are based on various and unpredictable factors, including expectations regarding government, economic, monetary and fiscal policies, inflation and interest rates, economic expansion or contraction, and global or regional political, economic or banking crises. Decreases in the market value of the investments made by the Funds will adversely affect the returns of the Funds.

Recent Developments in Financial Markets. Recent developments in the global financial markets illustrate that the current environment is one of extraordinary and possibly unprecedented uncertainty. In light of such recent market turmoil and the overall weakening of the financial services industry, the Funds, the Adviser, and other financial institutions' financial condition may be adversely affected and they may become subject to legal, regulatory, reputational and other unforeseen risks that could have a material adverse effect on the Funds' business and operations.

Financial Markets and Regulatory Change. 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 Funds' 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 Funds. The Funds and the Senator may be or may become subject to unduly burdensome and restrictive regulation. In particular, in response to significant recent events in international financial markets, governmental intervention and certain regulatory measures have been or may be adopted in certain jurisdictions, including restrictions on short selling of certain securities in certain 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, are likely to be the catalyst for changes in global financial regulation for some time, and may result in major and unavoidable losses to the Funds.

Political, Economic and Other Conditions. The Funds' investments 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 United States, or the death of a major political figure may have significant adverse effects on general economic conditions, market conditions, market liquidity and the Funds' investment results. Additionally, a serious pandemic, such as avian or swine 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 U.S. Congress, the U.S. Securities and Exchange Commission, the U.S. Federal Reserve Board, the New York Stock Exchange, FINRA or other governmental or quasi-governmental bodies, agencies and regulatory organizations may make the business of the Funds 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 the investment performance of the Funds.

The Occurrence of a Terrorist Attack, or the Outbreak, Continuation or Expansion of War or Other Hostilities, Pandemics or Natural Disasters Could Disrupt Trading Activity and Materially Affect Profitability. The operations of the Funds and the Adviser, the exchanges, brokers, dealers and counterparties with which the Funds and the Adviser do business, and the markets in which the Funds and the Adviser do business could be severely disrupted in the event of a major terrorist attack or the outbreak, continuation or expansion of war or other hostilities. The terrorist attacks of September 11, 2001, have heightened this concern tremendously. The situations in Iran, Iraq, Pakistan, Afghanistan and North Korea, global anti-terrorism initiatives and political unrest in the Middle East and Southeast Asia continue to fuel this concern.

Additionally, a serious pandemic, such as avian influenza, or a natural disaster, such as a hurricane, could severely disrupt local, regional or global economies.

Competition. There is currently, and will likely be, competition for investment opportunities by investment vehicles and others with investment objectives and strategies identical or similar to the Funds' investment objective and strategies. Increasing competition may limit the Funds' ability to take advantage of trading opportunities in rapidly changing markets or ability to access investment opportunities believed to be profitable. Certain of the Funds' competitors may have longer track records, greater financial and other resources and may have better access to suitable investment opportunities. There can be no assurance that the Funds will be able to locate and complete suitable investments that satisfy the Funds' objectives or that leverage will be available with acceptable counterparties on acceptable terms. Whether or not suitable investment opportunities are available to the Funds, the Funds will bear management, performance and other fees and expenses further described in each Funds' offering documents.

Diversification; Concentration of Investment. The general partners and/or Senator has broad discretion over the Funds' investment programs and may choose to invest a substantial portion of the Funds' assets in a limited number of issuers, countries, sectors or instruments. In general, the capital of the Funds will be invested in a manner that will enhance diversification opportunities among distressed debt, value equities and event equities. There can be no assurance that reasonable diversification will be achieved. The Funds may hold a few relatively large investments in relation to its capital. Furthermore, adverse movements in a particular economy, sector or instrument type in which the Funds is concentrated could negatively affect performance to a considerably greater extent than if the Funds investments were not so concentrated. In addition, concentration of the Funds' investments could also result in less correlation between the Funds' performance and the performance of the markets on which securities held by the Funds are traded. Consequently, a loss in any single such investment could result in a proportionately higher reduction in the Funds' capital than if such capital had been spread among a wider number of investments. An investment in the Funds does not constitute a diversified investment program.

Portfolio Liquidity. The Funds may invest a portion of their assets in securities for which there is no public market and for which valuations may be difficult. In addition, because some of the Funds' investments may be held for a substantial period of time, the Funds face the risks of changes in long-term interest rates and adverse changes in the relevant markets. These investments may be more difficult to dispose of and, even if the investments of the Funds are successful, they may not produce a realized return to the investors for a period of several years.

In particular, as part of the Funds' investment strategies, the Funds may invest in companies with small or mid-size market capitalizations, and/or in investments in illiquid and other long term securities such as private placement securities, restricted securities (including by reason of the Funds being deemed to be an affiliate of the issuer of such securities) or securities with limited, if any, trading volume. Generally, the Funds will be able to sell such securities without restriction to other large institutional investors but may be restrained in its ability to sell them to other investors. Such securities do, however, carry the risk that a buyer may not be found for such securities. Furthermore, the Funds' investments may be subject to certain transfer restrictions that may also contribute to illiquidity. Additionally, if restricted securities are sold to the public, the Funds may be deemed to be an underwriter or possibly a controlling person with respect thereto for the purposes of the Securities Act or other countries' securities laws and may be subject to liability as such under the Securities Act or other countries' laws. For the foregoing reasons, no assurance

can be given that, if any of the Funds is determined to dispose of a particular investment, it could dispose of such investment at the previously prevailing market price.

In addition, the lack of an established, liquid secondary market for certain of the Funds' investments may have an adverse effect on the market value of the Funds' investments and on the ability to dispose of them. Furthermore, it may also not always be possible for the Funds to execute a buy or sell order at the desired price or to liquidate an open position, either due to market conditions on exchanges or due to the operation of daily price fluctuation limits or "circuit breakers", which limit, during a single trading day, the ability to execute trades at prices beyond the daily limit. In particular, derivative instruments, especially when traded in large amounts, may not be liquid in all circumstances, so that in volatile markets the Funds may not be able to close out a position without incurring a loss. In addition, daily limits on price fluctuations and speculative positions limits on exchanges on which the Funds may conduct its transactions in certain derivative instruments may prevent prompt liquidation of positions, potentially subjecting the Funds to greater losses.

Risk Arbitrage Transactions. The Funds may purchase securities at prices slightly below the anticipated value of the cash, securities or other consideration to be paid or exchanged for such securities, in a proposed merger, exchange offer, tender offer, spin-off or other similar transaction. Such purchase price may be substantially in excess of the market price of the securities prior to the announcement of the merger, exchange offer, tender offer, spin-off or other similar transaction. If the proposed merger, exchange offer, tender offer, spin-off or other similar transaction later appears likely not to be consummated, is in fact not consummated or is delayed, the market price of the securities purchased by the Funds may decline sharply and result in losses to the Funds. In certain transactions, the Funds may not be "hedged" against market fluctuations. This can result in losses, even if the proposed transaction is consummated. In addition, a security to be issued in a merger or exchange offer may be sold short by the Funds in the expectation that the short position will be covered by delivery of such security when issued. If the merger or exchange offer is not consummated, the Funds may be forced to cover its short position at a higher price than its short sale price, resulting in a loss.

The Funds may also purchase securities above the offer price for a security which is the subject of a takeover bid if Senator determines that the offer price is likely to be increased, either by the original bidder or by another party. However, if ultimately no transaction is consummated, it is likely that a substantial loss will result.

The Funds may sell the securities of a target company short if Senator determines that it is probable that the proposed transaction will not be consummated. If the transaction (or another transaction, such as a "defensive" merger or a "friendly" tender offer) is consummated and the price of the target company's securities increases, the Funds may be forced to cover its short position at a higher price than the short sale price, resulting in a loss.

The consummation of mergers, exchange offers, tender offers, spin-offs and other similar transactions can be prevented or delayed by a variety of factors. An exchange offer or a tender offer by one company for the securities of another may be opposed by the management or shareholders of the target company on the grounds that the consideration offered is inadequate or for other reasons, and this opposition may result in regulatory action and/or litigation which delays or prevents consummation of the transaction. Even if the transaction has been agreed upon by the management of the companies involved, its consummation may be prevented by the

intervention of a government regulatory agency, litigation brought by a shareholder or, in the case of a merger, the failure to receive the necessary shareholder approvals, market conditions resulting in material changes in securities prices, and other circumstances, including, but not limited to, the failure to meet certain conditions customarily specified in acquisition agreements. Even if the defensive activities of a target company or the actions of regulatory authorities fail to defeat a transaction, they may result in significant delays, during which time the Funds' capital will be committed to the transaction and interest charges on any funds borrowed to finance the Funds' activities in connection with the transaction may be incurred.

Offerors in tender or exchange offers customarily reserve the right to cancel such offers for many reasons, including an insufficient response from shareholders of the target company.

An exchange offer or a tender offer will often be made for less than all of the outstanding securities of an issuer, with the provision that, if a greater number is tendered, securities will be accepted on a pro rata basis. Thus, after the completion of a tender offer, and at a time when the market price of the securities has declined below the Funds' cost, the Funds may have returned to it, and be forced to sell at a loss, a portion of the securities it tendered.

Financial and Market Risks of Bankrupt or Special Situation Companies. The Funds will invest in securities of issuers in weak financial condition, experiencing poor operating results, having substantial financial needs or negative net worth, facing special competitive or product obsolescence problems, or that are involved in bankruptcy or reorganization proceedings. Investments of this type involve substantial financial business risks that can result in substantial or total losses. Among the problems involved in investments in troubled issuers is the fact that it frequently may be difficult to obtain information regarding conditions of such issuers. The market prices of such securities are also subject to abrupt and erratic market movements and above average price volatility, and the spread between the bid and asked prices of such securities may be greater than normally expected. It may take a number of years for the market price of such securities to reflect their intrinsic value. It is anticipated that some of the portfolio securities of the Funds may not be widely traded, and that the Funds' position in such securities may be substantial in relation to the market for the securities.

These types of securities require active monitoring and may, at times, require participation in bankruptcy or reorganization proceedings by Senator on behalf of the Funds. To the extent that Senator becomes involved in such proceedings, the Funds may have a more active participation in the affairs of the issuer than that assumed generally by an investor. The Funds, however, do not generally make investments in portfolio companies for the purposes of exercising day-to-day management control of any issuer's affairs.

The Funds may also make certain speculative purchases of securities. Such purchases may include securities which Senator believes to be undervalued, or where a significant position in the securities of the particular company has been taken by one or more other persons or where other companies in the same or related industry have been the subject of acquisition attempts. If the Funds purchase securities in anticipation of an acquisition attempt or reorganization, and an acquisition attempt or reorganization does not in fact occur, the Funds may sell the securities at a material loss. Further, when securities are purchased in anticipation of an acquisition attempt or reorganization, a substantial period of time may elapse between the Funds' purchase of the securities and the acquisition attempt or reorganization. During this period, a portion of the

Funds' assets would be committed to the securities purchased, and the Funds may finance such purchases with borrowed funds on which it will have to pay interest.

In liquidations and other forms of corporate reorganizations, there is a risk that the reorganization will be unsuccessful, will be delayed or will result in a distribution of cash or a new security with a value less than the Funds' purchase price of the underlying security.

Senator attempts to assess all of the foregoing risk factors, and others, in determining the nature and extent of the investment the Funds will make in specific securities. However, many risks, such as the outcome of governmental approvals or the outcome of pending or threatened litigation, cannot be quantified.

Distressed Securities. The Funds may invest in securities of issuers in weak financial condition, including issuers in bankruptcy or reorganization. It may be difficult to obtain information as to the true condition of such issuers. Such investments may be adversely affected by laws relating to, among other things, fraudulent transfers and other voidable transfers or payments, lender liability, and a bankruptcy court's power to disallow, reduce, subordinate, or disenfranchise particular claims. It may take a number of years for the market price of such securities to reflect their intrinsic value. In liquidation and other forms of corporate reorganization, there is the risk that the reorganization will be unsuccessful, delayed, or result in a distribution of less value than the original purchase price of the security in respect to which such distribution was made.

Investments in Loans. The Funds may invest in financings with borrowers that may have difficulty obtaining financing from other sources. While Senator believes that this may provide an attractive opportunity for the Funds to generate profits, these borrowers may have difficulty repaying their loans to the Funds upon maturity. A borrower's ability to repay its loan may be adversely affected by numerous factors, including, without limitation, the failure to meet its business plan, a downturn in its industry or negative economic conditions. A deterioration in a borrower's financial condition and prospects may be accompanied by a deterioration in the value of any collateral and a reduction in the likelihood of the Funds capitalizing on any guarantees they may have obtained from the borrower's management or other parties.

Below Investment Grade Securities. The Funds may invest in fixed-income instruments which are or are deemed to be the equivalent in terms of quality to securities rated below investment grade by Moody's Investors Service, Inc. and Standard & Poor's Corporation and accordingly involve great risk. Such securities are regarded as predominantly speculative with respect to the issuer's capacity to pay interest and repay principal in accordance with the terms of the obligations and involve major risk to adverse conditions. These securities offer higher returns than bonds with higher ratings as compensation for holding an obligation of an issuer perceived to be less creditworthy. While all security investments have some degree of risk, these types of securities may be subject to greater market fluctuations and risk of loss of income and principal than are investments in lower yielding fixed-income securities with higher ratings.

Investments in Debt Obligations Are Subject to Credit and Interest Rate Risks. Debt instruments are subject to credit and interest rate risks. "Credit risk" refers to the likelihood that an issuer will default in the payment of principal and/or interest on an instrument. Financial strength and solvency of an issuer are the primary factors influencing credit risk. In addition, lack or inadequacy of collateral or credit enhancement for a debt instrument may affect its credit risk. Credit risk may change over the life of an instrument, and debt obligations, which are rated by rating agencies, are often reviewed and may be subject to downgrade. "Interest rate risk" refers to

the risks associated with market changes in interest rates. Interest rate changes may affect the value of a debt instrument indirectly (especially in the case of fixed rate debt securities) and directly (especially in the case of debt instruments whose rates are adjustable). In general, rising interest rates will negatively impact the price of a fixed rate debt instrument and falling interest rates will have a positive effect on price. Adjustable rate instruments also react to interest rate changes in a similar manner although generally to a lesser degree (depending, however, on the characteristics of the reset terms, including the index chosen, frequency of reset and reset caps or floors, among other factors). Interest rate sensitivity is generally more pronounced and less predictable in instruments with uncertain payment or prepayment schedules. In addition, interest rate increases generally will increase the interest carrying costs to the Funds of borrowed securities and leveraged investments.

Interest Rate Fluctuations; Leverage. The prices of portfolio investments made by the Funds likely will tend to be sensitive to interest rate fluctuations. Unexpected fluctuations in interest rates could cause the corresponding prices of the long and short portions of a position to move in directions which were not initially anticipated. To the extent that interest rate assumptions underlie the hedge ratios implemented by the Funds in hedging a particular position, fluctuations in interest rates could invalidate those underlying assumptions and expose the Funds to losses.

In general, Senator seeks to achieve its investment objective by investing in opportunities that offer attractive returns on an un-levered basis. However, the Funds may leverage its capital when Senator believes that the use of leverage may enable the Funds to capitalize on opportunities to achieve a higher rate of return, as well as to meet redemptions which would otherwise result in the premature liquidation of investments. While such borrowing will increase the investment opportunities available to the Funds, it will also increase the risk of loss on such investments. The amount of borrowings which the Funds may have outstanding at any time may be large in relation to its capital, but the Funds' aggregate leverage, expressed as $(\text{gross long investments} + \text{gross short investments}) / \text{equity}$, will generally not at any time exceed 250% of the Funds' aggregate net assets. The Funds, however, may invest in securities of or make loans to entities which are themselves highly leveraged, thus increasing the Funds' exposure to leverage related risk. In addition, the level of interest rates generally, and the rates at which the Funds can borrow in particular, is an expense of the Funds, and therefore affects the operating results of the Funds.

The banks and brokers that provide financing to the Funds may apply a variety of margin, financing and collateral valuation policies. Changes in these terms at any time may result in a loss of financing, margin calls and forced liquidations of positions or assets at less than advantageous prices.

Fluctuations in the market value of the Funds' portfolio will have a significant effect in relation to the Funds' capital. The risk of loss and the possibility of gains are therefore increased. The amount of borrowings which the Funds may have outstanding at any time may be large in relation to its capital. In addition, interest rate increases generally will increase the interest carrying costs to the Funds of borrowed securities and leveraged investments, and therefore will affect the operating results of the Funds.

Non-U.S. Exchanges, Markets and Currencies. Senator may engage in trading on non-U.S. exchanges and markets. Trading on such exchanges and markets involves certain risks not applicable to trading on U.S. exchanges and is frequently less regulated. For example, certain of such exchanges may not provide the same assurances of the integrity (financial and otherwise) of

the marketplace and its participants as do U.S. exchanges. There also may be less regulatory oversight and supervision by the exchanges themselves over transactions and participants in such transactions on such exchanges. Some non-U.S. exchanges, in contrast to U.S. exchanges in general, are “principals’ markets” in which performance is the responsibility only of the individual member with whom the trader has dealt and is not the responsibility of an exchange or clearing association. Furthermore, trading on certain non-U.S. exchanges may be conducted in such a manner that all participants are not afforded an equal opportunity to execute certain trades and may also be subject to a variety of political influences and the possibility of direct government intervention. Certain markets and exchanges in non-U.S. countries have different clearance and settlement procedures than U.S. markets for trades and transactions and in certain markets, there have been times when settlement procedures have been unable to keep pace with the volume of transactions, thereby making it difficult to conduct such transactions. Any difficulty with clearance or settlement procedures may expose the Funds to losses. Trading on non-U.S. markets is also subject to the risk of fluctuations in the exchange rate between the local currency and the U.S. dollar and to the possibility of exchange controls. Trading on non-U.S. securities markets or exchanges may also result in the Funds incurring taxes in the local jurisdictions.

Trading in Securities of Non-U.S. Issuers. The Funds may trade in securities of non-U.S. issuers traded outside of the United States. In addition to currency exchange risks, such trading requires consideration of certain other risks not typically associated with investing in U.S. securities. There may be less publicly available information regarding issuers located in certain countries. In addition, certain countries may have no laws or regulations prohibiting insider trading. Furthermore, if the accounting standards in a non-U.S. country do not require as much detail as U.S. standards, it may be harder for Senator to analyze the financial condition of an issuer located in such country. The economies of certain countries often do not compare favorably with the economy of the United States with respect to such issues as growth of gross national product, reinvestment of capital, resources and balance of payments position. Certain of such economies may rely heavily on particular industries or foreign capital and are more vulnerable to diplomatic developments, the imposition of economic sanctions against a particular country or countries, changes in international trading patterns, trade barriers and other protectionist or retaliatory measures. Investments in non-U.S. markets also may be adversely affected by governmental actions such as the imposition of capital controls, nationalization of companies or industries, expropriation of assets, the imposition of punitive taxes or the imposition of withholding or other taxes on dividends, interest, capital gains, other income or gross sale or disposition proceeds of the Funds. In addition, the governments of certain countries may prohibit or impose substantial restrictions on foreign investing in their capital markets or in certain industries. Any such action could severely affect security prices, impair Senator’s abilities to purchase or sell non-U.S. securities or otherwise adversely affect the Funds. Other non-U.S. market risks include difficulties in pricing securities, difficulties in enforcing favorable legal judgments in non-U.S. courts, and political and social instability. Legal remedies available to investors in certain countries may be less extensive than those available to investors in the United States or other countries. With respect to certain countries, there is a possibility of expropriation, confiscatory taxation, imposition of withholding or other taxes on dividends, interest, capital gains, other income or gross sale or disposition proceeds.

Non-U.S. Currencies. Although most of the Funds’ investments will be U.S. dollar denominated, Funds investments that are denominated in a non-U.S. currency are subject to the risk that the

value of a particular currency will change in relation to one or more other currencies. Among the factors that may affect currency values are trade balances, the level of short-term interest rates, differences in relative values of similar assets in different currencies, long-term opportunities for investment and capital appreciation, and political developments. Senator intends, but is under no obligation, to employ hedging techniques to minimize these risks, but there can be no assurance that such strategies will be effective.

Changes to Derivatives Regulation. Through its comprehensive new regulatory regime for derivatives, the U.S. Dodd-Frank Wall Street Reform and Consumer Protection Act (the “Dodd-Frank Act”) will impose mandatory clearing, exchange-trading and margin requirements on many derivatives transactions (including formerly unregulated over-the-counter derivatives). The Dodd-Frank Act also creates new categories of regulated market participants, such as “swap dealers,” “security-based swap dealers,” “major swap participants,” and “major security-based swap participants” who will be subject to significant new capital, registration, recordkeeping, reporting, disclosure, business conduct and other regulatory requirements.

One possible effect of the Dodd-Frank Act could be to increase the Funds' overall costs of entering into derivatives transactions. In particular, new margin requirements, position limits and capital charges, even if not directly applicable to the Funds, may cause an increase in the pricing of derivatives transactions sold by market participants to whom such requirements apply. Administrative costs, due to new requirements such as registration, recordkeeping, reporting, and compliance, even if not directly applicable to the Funds, may also be reflected in higher pricing of derivatives. New exchange-trading and trade reporting requirements may lead to changes in the liquidity of derivative transactions, or higher pricing or reduced availability of derivatives, or the reduction of arbitrage opportunities for the Funds, that could adversely affect the performance of certain of the Funds' trading strategies.

Swap Transactions. The Funds may engage in credit default swaps, total return swaps on individual securities and indices and other swap transactions. Swap contracts are not traded on exchanges and are not subject to the same type of government regulation as exchange markets. As a result, many of the protections afforded to participants on organized exchanges and in a regulated environment are not available in connection with these transactions. The swap markets are “principals’ markets”, in which performance with respect to a swap contract is the responsibility only of the counterparty to the contract, and not of any exchange or clearinghouse. As a result, the Funds is subject to the risk of the inability or refusal to perform with respect to swap contracts on the part of the counterparties with which Senator trades. There are no limitations on daily price movements in swap transactions. Speculative position limits are not applicable to swap transactions, although the Funds’ swap counterparties may limit the size or duration of positions available to the Funds as a consequence of credit considerations. Participants in the swap markets are not required to make continuous markets in the swap contracts they trade. Participants could refuse to quote prices for swap contracts or quote prices with an unusually wide spread between the price at which they are prepared to buy and the price at which they are prepared to sell. If an event of default or an additional termination event were to occur with respect to the Funds under an ISDA master agreement governing the Funds’ swap transactions, the relevant swap counterparty and other swap counterparties may terminate all transactions with the Funds at significant losses to the Funds.

Trading in swaps and other derivative instruments can permit a high degree of synthetic leverage. Accordingly, the leverage offered by trading in derivative instruments may magnify the gains and

losses experienced by the Funds and could cause the Funds' net asset value to be subject to wider fluctuations than would be the case if Senator did not use derivative instruments which provide leverage. Thus, like other leveraged investments, a derivatives trade may result in losses in excess of the amount invested. Any increase in the amount of leverage applied in trading will increase the risk of loss by the amount of additional leverage applied.

Over-the-Counter Trading. Derivative instruments that may be purchased or sold by the Funds may include instruments not traded on an exchange. Over-the-counter options, unlike exchange-traded options, are two-party contracts with price and other terms negotiated by the buyer and seller. The risk of nonperformance by the obligor on such an instrument may be greater and the ease with which the Funds can dispose of or enter into closing transactions with respect to such an instrument may be less than in the case of an exchange-traded instrument. In addition, significant disparities may exist between the bid and asked prices for derivative instruments that are not traded on an exchange. Derivative instruments not traded on exchanges are also not subject to the same type of government regulation and supervision as exchange-traded instruments, and many of the protections afforded to participants in a regulated environment may not be available in connection with such transactions. For example, the performance guarantee of an exchange clearinghouse may not be available in connection with over-the-counter transactions. The Funds may therefore be exposed to greater risk of loss through default than if Senator confined its trading to regulated exchanges.

Options. The successful use of options depends on the ability of Senator to forecast interest rate and market movements correctly. In addition, when it purchases an option, the Funds runs the risk that it will lose its entire investment in the option in a relatively short period of time, unless the Funds 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 Funds will lose part or all of its investment in the option. There is no assurance that the Funds will be able to avoid losses by effecting closing transactions at any particular time or at any acceptable price. In the event of the bankruptcy of a broker through which the Funds engages in transactions in options, the Funds could experience delays and/or losses in liquidating open positions purchased or sold through the broker.

Equity Securities Generally. Senator may invest in common and preferred stock and other equity securities, including both public and private equity securities. Equity securities involve a high degree of risk and will be subordinate to the debt securities and other indebtedness of the issuers of such equity securities. Market prices of equity securities generally are subject to greater volatility than prices of fixed-income securities. Such fluctuations are often based on factors unrelated to the value of the issuers of the securities, such as poor economic or market conditions. Market prices of equity securities as a group have dropped dramatically in a short period of time on several occasions in the past, and they may do so again in the future. In some cases, the issuers of such equity securities may be highly leveraged or subject to other risks such as limited product lines, markets or financial resources. In addition, some of these equity securities may be illiquid. Because of perceived or actual illiquidity or investor concerns regarding leveraged capitalization, these securities often trade at significant discounts to otherwise comparable investments or are not readily tradable. These securities generally do not produce current income for the Funds and may also be speculative. In addition, actual and perceived accounting irregularities may cause dramatic price declines in the equity securities of companies reporting such irregularities or which

are the subject of rumors of accounting irregularities. The Funds may experience a substantial or complete loss on individual equity securities.

Equity Securities of Small and Mid-Cap Companies. Some of the issuers of equity securities in which the Funds may invest may be more vulnerable than larger companies to adverse business or market developments, may have limited markets or financial resources and may lack experienced management. In addition, many small and medium size companies are not well known to the investing public, do not have significant institutional ownership and are followed by relatively few analysts, and thus there may tend to be less publicly available information concerning such companies compared to what is available for companies that have larger market capitalizations.

Short Selling. Senator may engage in selling securities short. Short sales by the Funds that are not made “against the box” create opportunities to increase the Funds’ return but, at the same time, involve special risk considerations and may be considered a speculative technique. Since the Funds, in effect, profits from a decline in the price of the securities sold short without the need to invest the full purchase price of the securities on the date of the short sale, the value of the Funds will tend to increase more when the securities it has sold short decrease in value, and to decrease more when the securities it has sold short increase in value, than otherwise would be the case if it had not engaged in such short sales.

Short sales theoretically involve unlimited loss potential, as the market price of securities sold short may increase continuously, although the Funds may mitigate such losses by seeking to replace the securities sold short. Short positions are subject to buy-in at any time (for example, if the lending broker is required to return the borrowed securities to its customer and cannot locate replacement securities), without regard to the Funds’ intention to maintain the position. Under adverse market conditions, the Funds might have difficulty purchasing securities to meet its short sale delivery obligations, and might have to sell portfolio securities to raise the capital necessary to meet its short sale obligations at a time when fundamental investment considerations would not favor such sales. There can be no assurance that the securities necessary to cover a short position will be available for purchase at any particular time. In addition, short selling also involves the posting of collateral that should be returned to the Funds upon the satisfaction of the short sale. Amounts posted as collateral may be invested in cash or cash equivalents and may not generate the same rate of return as the Funds’ other investments. Short sales may also be used with the intent of hedging against the risk of declines in the market value of the Funds’ long portfolio, but there can be no assurance that such hedging operations will be successful.

Thus, selling securities short creates the risk of losing an amount greater than the initial investment in a relatively short period of time.

Futures Trading Is Speculative. Senator may engage in futures trading. A principal risk in trading futures is the traditional volatility and rapid fluctuation in the market prices. The profitability of such futures trading will depend primarily on the prediction of fluctuations in market prices. Price movements for futures are influenced by, among other things, government trade, fiscal, monetary and exchange control programs and policies; weather and climate conditions; changing supply and demand relationships; national and international political and economic events; changes in interest rates; and the psychological emotions of the market-place. In addition, governments from time to time intervene, directly and by regulation, in certain markets, often with the intent to influence prices directly. The effects of governmental

intervention may be particularly significant at certain times in the financial instrument and currency markets, and such intervention (as well as other factors) may cause these markets to move rapidly.

Futures Trading Is Highly Leveraged. The low margin deposits normally required in futures trading permit an extremely high degree of leverage. Accordingly, a relatively small price movement in a futures contract may result in immediate and substantial loss or gain to the investors. For example, if at the time of purchase 10% of the price of a futures contract is deposited as margin, a 10% decrease in the price of the futures contract would, if the contract were then closed out, result in a total loss of the margin deposit before any deduction for brokerage commissions. Thus, like other leveraged investments, any futures trade may result in losses in excess of the amount invested. Any increase in the amount of leverage applied in trading will increase the risk of loss by the amount of additional leverage applied.

Tracking Risk. When used for hedging purposes, an imperfect or variable degree of correlation between price movements of a derivative instrument and the underlying investment sought to be hedged may prevent the Funds from achieving the intended hedging effect or expose the Funds to the risk of loss.

Board Participation. Senator anticipates that the Funds' investment program, or the investment program of other accounts managed by Senator, may from time to time enable the Funds or a Senator account to place its representatives on boards of certain companies in which the Funds has invested. While such representation may enable the Funds or the other account managed by Senator to enhance the sale value of its investments, it may also prevent the Funds or other Senator managed accounts from freely disposing of its investments and may subject the Funds to additional liability. The Funds will indemnify the General Partner, Senator or any other person designated by the General Partner or Senator for claims arising from such board representation. The Funds will attempt to balance the advantages and disadvantages of such representation when deciding whether and how to exercise its rights with respect to such companies, but the exercise of such rights could produce adverse consequences in particular situations.

Financial Fraud. Instances of fraud and other deceptive practices committed by senior management of certain companies in which the Funds invests may undermine Senator's due diligence efforts with respect to such companies, and if such fraud is discovered, negatively affect the valuation of the Funds' investments. In addition, when discovered, financial fraud may contribute to overall market volatility which can negatively impact the Funds' investment program.

Co-Investments with Third Parties. The Funds may co-invest with third parties through joint ventures or other entities. Such investments may involve risks not present in investments where a third party is not involved, including the possibility that a co-venturer or partner of the Funds may at any time have economic or business interests or goals which are inconsistent with those of the Funds, or may be in a position to take action contrary to the Funds' investment objective. In addition, the Funds may be liable for actions of its co-venturers or partners.

Co-Investments with Other Senator Managed Accounts. The Funds may co-invest with Senator managed accounts through joint ventures or other entities. Such situations may involve the possibility that another Senator managed account may at any time have economic or business interests or goals which are inconsistent with those of the Funds, or may be in a position to take

action contrary to the Funds' investment objective. In addition, the Funds may be liable for action taken by another Senator managed account..

Absence of Regulatory Oversight. The Funds are not required to register as an investment company, and has not registered as such, under the Investment Company Act. Accordingly, the provisions of such laws and the regulations promulgated under the Investment Company Act and the laws and regulations, which are intended to provide various protections to investors, may not be applicable to an investment in the Funds.

Institutional Risks. Institutions, such as brokers and dealers, will generally have custody of the assets of the Funds. Often these assets are not registered in the name of the Funds. Bankruptcy, fraud or other financial difficulties at one of these institutions could impair the operating capabilities or the capital position of the Funds. Senator will attempt to limit its custodial arrangements to financial institutions and brokerage firms which it believes to be well-capitalized and established in an effort to mitigate such risks.

Counterparty Risk and Credit Risk. To the extent that the Funds enter into contracts for investment with a market counterparty as principal (and not as agent), the Funds will be subject to the risk of the inability of counterparties to perform with respect to such transactions, whether due to insolvency, bankruptcy or other causes, which could subject the Funds to substantial losses. In an effort to mitigate such risks, Senator will attempt to limit transactions to counterparties which it believes are established, well-capitalized and creditworthy.

If there is a default by a counterparty, the Funds under most normal circumstances will have contractual remedies pursuant to the agreements related to the transactions. However, exercising such contractual rights may involve delays or costs which could result in the net asset value of the Funds being less than if the Funds had not entered into the transactions. Furthermore, there is a risk that any of such counterparties could become insolvent and/or the subject of insolvency proceedings. In such case, the recovery of the Funds' securities from such counterparty or the payment of claims therefor may be significantly delayed and the Funds may recover substantially less than the full value of the securities entrusted to such counterparty.

Limited Management Rights. Subject to certain limited voting rights of the Funds' investors, as set forth in the Funds' constituent documents, and certain limitations imposed by law, the General Partner, Board of Directors and/or Senator has full, exclusive and complete power and discretion, without the need for consent or approval of any Limited Partner, to make all decisions and do all things that it deems necessary or desirable on behalf of the Funds.

Illiquidity; Transfers and Redemptions; Mandatory Withdrawals. The shares and interests in the Funds are highly illiquid and are not transferable without consent. There will be no secondary market for the shares or interests, and consequently, investors may not be able to dispose of them. The right to withdraw from the Funds is limited by the applicable Funds' constitutional documents. Additionally, the right to withdraw share or interests may be suspended from time to time. In addition, the General Partner and/or the Board of Directors reserve the right to compel the withdrawal of all or part of any shares or interests without prior notice.

Contingent Liabilities. Reserves for unknown or contingent liabilities may be established for the Funds. Any such reserves could require the withholding of a portion of the withdrawal proceeds payable in respect of an investor's withdrawal request.

Litigation. Litigation can and does occur in the ordinary course of the management of an investment portfolio. The Funds may be engaged in litigation both as a plaintiff and as a defendant. This risk is somewhat greater where the Funds exercises control or significant influence over a company's direction, including as a result of board participation. Such litigation can arise as a result of issuer defaults, issuer bankruptcies and/or other reasons. In certain cases, such issuers may bring claims and/or counterclaims against the Funds, Senator and/or their respective principals and affiliates alleging violations of securities laws and other typical issuer claims and counterclaims seeking significant damages. The expense of prosecuting claims and/or defending against claims made against the Funds by third parties and paying any amounts pursuant to settlements, awards or judgments would, to the extent that (i) the Funds has not been able to protect itself through indemnification or other rights against the portfolio companies or (ii) is not entitled to such protections or (iii) the portfolio company is not solvent, be borne by the Funds pursuant to indemnification obligations and reduce net assets. Senator, the General Partner and others may be indemnified by the Funds in connection with such litigation, subject to certain conditions.

Allegations of Lender Liability and Equitable Subordination. In recent years, certain judicial decisions have upheld the right of borrowers to sue lending institutions on the basis of various evolving legal theories (collectively termed "lender liability"). Generally, lender liability is founded upon the premise that an institutional lender has violated a duty (whether implied or contractual) of good faith and fair dealing owed to the borrower or has assumed a degree of control over the borrower resulting in creation of a fiduciary duty owed to the borrower or its other creditors or shareholders. In addition, under common law principles that in some cases form the basis for lender liability claims, certain actions by creditors may result in the subordination of the claim of the offending lending institution to the claims of the disadvantaged creditor or creditors, a remedy called "equitable subordination". Because of the nature of certain of the investments in portfolio companies, the Funds could be subject to allegations of lender liability and/or be subject to claims from creditors of an obligor that investments issued by such obligor that are held by the Funds should be equitably subordinated. A significant number of investments in the portfolio companies will involve investments in which the Funds would not be the lead creditor. It is, accordingly, possible that lender liability or equitable subordination claims affecting the investments made by the Funds could arise without the direct involvement of the Funds.

Investments Could be Alleged to be Fraudulent Conveyances. Certain laws enacted for the protection of creditors may apply to the investments made by the Funds by virtue of the Funds' role as a creditor with respect to such investments made by the Funds. If a court in a lawsuit brought by an unpaid creditor or representative of creditors of a borrower were to find that the borrower did not receive fair consideration or reasonably equivalent value for incurring indebtedness evidenced by an investment made by the Funds and the grant of any security interest or other lien securing such investment made by the Funds, and, after giving effect to the incurring of such indebtedness, the borrower (i) was insolvent, (ii) was engaged in a business for which the assets remaining in such borrower constituted unreasonably small capital or (iii) intended to incur, or believed that it would incur, debts beyond its ability to pay such debts as they mature, such court could invalidate, in whole or in part, such indebtedness and such security interest or other lien as fraudulent conveyances, subordinate such indebtedness to existing or future creditors of the borrower or recover amounts previously paid by the borrower (including to the Funds) in satisfaction of such indebtedness or proceeds of such security interest or other lien previously

applied in satisfaction of such indebtedness. In addition, in the event of the insolvency of an issuer, payments made on the investments in such issuer made by the Funds could be subject to avoidance as a “preference” if made within a certain period of time before insolvency. The measure of insolvency for purposes of the foregoing will vary depending on the law of the jurisdiction which is being applied. Generally, however, a borrower would be considered insolvent at a particular time if the sum of its debts was greater than all of its property at a fair valuation or if the present fair saleable value of its assets was then less than the amount that would be required to pay its probable liabilities on its existing debts as they became absolute and matured. In general, if payments on an investment made by the borrower are avoidable, whether as fraudulent conveyances or preferences, such payments can be recaptured either from the initial recipient (such as the Funds) or from subsequent transferees of such payments.

Change in Law. Legal, tax and regulatory changes could occur during the term of the Funds that may adversely affect the Funds. The regulatory environment for hedge funds is evolving, and changes in the regulation of hedge funds, and the financial markets in general, may adversely affect the value and liquidity of investments held by the Funds and the ability of the Funds to obtain the leverage it might otherwise obtain or to pursue its trading strategy. In addition, the securities and futures markets are subject to comprehensive statutes, regulations and margin requirements. The Securities and Exchange Commission, other regulators and self-regulatory organizations and exchanges are authorized to take extraordinary actions in the event of market emergencies. The regulation of derivatives transactions and funds that engage in such transactions is an evolving area of law and is subject to modification by government and judicial action. The effect of any future regulatory change on the Funds could be substantial and adverse.

In particular, federal tax legislation affecting the taxation of “carried interest” in Funds, including the Partnership, has been proposed. The effects of any such proposed legislation and the likelihood of its enactment cannot be predicted. The enactment of any such proposed legislation could have adverse effects on the Funds and its Partners, and such adverse effects could be significant.

Bankruptcy Rules. Any cash and securities maintained in Funds accounts at U.S. broker-dealers registered with the SEC and FINRA are protected to a limited degree by the U.S. Securities Investor Protection Corporation (the “SIPC”). In the event of the bankruptcy of a broker-dealer, if sufficient funds are not available in the broker-dealer’s customer accounts to satisfy claims, the reserve funds of the SIPC will be used to supplement the distribution, up to a ceiling of \$500,000 per customer, including a maximum of \$100,000 for cash claims. Therefore, the Funds could be at risk of loss for any amounts in excess of the SIPC limit. In addition, bankruptcy law applicable to all U.S. futures commission merchants (each, an “FCM”) requires that, in the event of the bankruptcy of such an FCM, all property held by the FCM, including certain property specifically traceable to a customer, will be returned, transferred or distributed to the FCM’s customers only to the extent of each customer’s *pro rata* share of all property available for distribution to customers. If any FCM holding the Funds’ assets were to become bankrupt, it is possible that the Funds would be able to recover none or only a portion of its assets held by such FCM. Furthermore, in the event of an insolvency of an FCM or other counterparty which is not regulated by the CFTC or if such FCM fails to properly segregate customer funds, the CFTC’s segregation protections would not be available to the Funds. Other custodians and counterparties may have similar types of risks. Assets held outside the U.S. may be subject to different and/or diminished protection in the event of a counterparty failure located in such jurisdiction.

Failure of Custodians. Financial institutions such as FCMs and banks will have custody of the Funds' assets, including the Funds' margin deposits. Financial difficulty, fraud or misrepresentation at one of these institutions could impair the operational capabilities or capital positions of the Funds. The Funds will attempt to limit their custodians to well-capitalized and established institutions in an effort to mitigate such risks.

Third-Party Advice. The Funds and Senator utilize the services of attorneys, accountants and other consultants in their operations. The Funds and Senator generally rely upon such Advisers for their professional judgment with respect to legal, tax and other regulatory matters. Nevertheless, there exists a risk that such Advisers may provide incorrect advice from time to time. Neither the Funds nor Senator will have any liability to Limited Partners for any reliance upon such advice.

Non-U.S. Taxation. With respect to certain countries, there is a possibility of expropriation, confiscatory taxation, imposition of withholding or other taxes on dividends, interest, capital gains or other income, limitations on the removal of funds or other assets of the Funds, political or social instability or diplomatic developments that could affect investments in those countries. An issuer of securities may be domiciled in a country other than the country in whose currency the instrument is denominated. The values and relative yields of investments in the securities markets of different countries, and their associated risks, are expected to change independently of each other.

Tax Considerations. The Funds may take positions with respect to certain tax issues which depend on legal conclusions not yet addressed by the courts. Should any such positions be successfully challenged by the U.S. Internal Revenue Service or another applicable taxing authority, a Limited Partner might be found to have a different tax liability for a year than that reported on its federal income tax return for such year.

Side Letters. The Funds and/or Senator will be authorized, without the approval of any investor, to enter into "side letters" or similar written agreements with investors that have the effect of establishing rights under, or altering or supplementing the terms of the applicable offering documents such investor's subscription agreement or other related agreements. The ability of other investors to elect to receive the benefit of such side agreements will be limited.

In-Kind Distributions. The Funds have the right to satisfy withdrawal request in whole in cash, or in whole in kind, or in part in cash and in part in kind. In the event that the Firm distributes securities or other investments in kind, the investments so distributed may not be readily marketable or saleable, and investors may need to hold such investments for an indefinite period of time.

Item 9

Disciplinary Information

Senator and its employees have not been involved in legal or disciplinary events that would be material to an investor's evaluation of Senator or its personnel.

Item 10

Other Financial Industry Activities and Affiliations

As stated in the Advisory Business section above, Senator provides discretionary investment advisory services to variety of domestic and offshore private investment vehicles. An initial investor (the “Strategic Investor”) provided an initial seed investment to the Funds, and is entitled to receive a portion of the allocation and a guaranteed payment from the Funds in connection with advisory services to the Funds and has certain other rights not available to other investors, including, without limitation, capacity rights. In addition the Strategic Investor and/or certain of its affiliates, are investors in the Funds. In addition the Strategic Investor and/or certain of its affiliates, are investors in the Funds. Notwithstanding the foregoing, investment decisions made by Senator are independent from investment decisions made by the Strategic Investor and/or its affiliates.

The Adviser is a related person to the general partners of following Funds that are limited partnerships:

Fund	General Partner
Senator Global Opportunity Fund LP	Senator GP LLC
Senator Global Opportunity Offshore Fund Ltd.	Not applicable
Senator Global Opportunity Intermediate Fund L.P	Senator GP LLC
Senator Global Opportunity Master Fund L.P.	Senator Master GP LLC
Senator Sidecar Fund LP	Senator Sidecar Onshore GP LLC
Senator Sidecar Offshore Fund LP	Senator Sidecar Offshore GP LLC
Senator Sidecar Master Fund LP	Senator Sidecar Onshore GP LLC

Alexander Klabin and Douglas Silverman, directly or indirectly, own and control the activities of the Adviser and each of the General Partners, as well as Senator Management LLC, the general partner of the Adviser.

From time-to-time, Senator may structure and serve as the general partner to special-purpose vehicles (“SPV’s”) formed for the purpose of acquiring and holding Fund assets and addressing specific tax, legal, or regulatory concerns. In addition, K2 Towers Holdings GP LLC, an entity controlled directly or indirectly by Alexander Klabin and Douglas Silverman, serves as general partner of K2 Towers Holdings LP. Senator served as a sub-advisor to the BSOF Master Fund L.P. and BSOF Parallel Attic Fund L.P. in regard to two single investment co-investment accounts (the “Sub-Advisor Accounts”). The Sub-Advisor Accounts were liquidated prior to the date of this filing.

Item 11

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

Senator recognizes and believes that (i) high ethical standards are essential for its success and to maintain the confidence of its investors; (ii) its long-term business interests are best served by

adherence to the principle that the interests of investors come first; and (iii) it has a fiduciary duty to its investors to act for their benefit. All Senator personnel must put the interests of the Funds and investors before their own personal interests and must act honestly and fairly in all respects in dealings with investors. All Senator personnel must also comply with all federal securities laws.

Senator has adopted a Code of Ethics governing personal trading by its personnel. Among other requirements, all personnel must seek pre-approval from the Chief Compliance Officer ("CCO") for certain personal trades and must report their personal securities transactions and holdings to the CCO. The Code of Ethics additionally requires the CCO to regularly review all personal trading documents and to address any issues noted during the review, including the appropriateness of imposing a penalty for violations of the Code of Ethics. Investors and potential investors should contact the Adviser for additional information about the Code of Ethics.

Eligible Senator personnel hold, either directly or through the Funds' general partner, financial interests in the Funds. Additionally, it is possible that Senator personnel may personally invest in some of the same investments that are held by the Funds, or that they may own investments that are subsequently purchased for the Funds. In such cases, the CCO would have/will pre-approve such transactions to evaluate any issues resulting from the employee's proposed ownership. This situation give rise to certain risks and conflicts of interest between the Funds and employees of the Adviser, which include the possibility of Senator employees attempting to trade ahead of Funds for their personal advantage, or otherwise direct Fund investments for personal gain.

Senator may determine that it would be in the best interests of certain clients to transfer a security from one client to another (each such transfer, a "Cross Trade") for a variety of reasons, including, without limitation, tax purposes, liquidity purposes, to rebalance the portfolios of the clients, or to reduce transaction costs that may arise in an open market transaction. If Senator decides to engage in a Cross Trade, Senator will determine that the trade is in the best interests of each client involved in it and take steps to ensure that the transaction is consistent with the duty to obtain best execution for each of those clients.

Senator generally executes Cross Trades with the assistance of a broker-dealer who executes and books the transaction at the close of the market on the day of the transaction. Alternatively, a Cross Trade between two clients may occur as an "internal cross", where Senator instructs the custodian for the clients to book the transaction at the price determined in accordance with the Senator's valuation policy. If Senator effects an internal cross, Senator will not receive any fee in connection with the completion of the transaction.

To the extent that Cross Trades may be viewed as principal transactions due to the ownership interest in a client by Senator or its personnel, Senator will comply with the requirements of Section 206(3) of the Advisers Act, including that any such transactions will be considered on behalf of investors in such a client and approved or disapproved by (i) an advisory board comprised of representatives of such investors or (ii) a committee consisting of one or more persons selected by Senator (or its affiliate), and any valuation approved by such a committee will be determined by an independent third party that has appropriate experience in providing such valuations.

Item 12

Brokerage Practices

The policy of Senator regarding purchases and sales for the Funds' portfolio is that primary consideration will be given to obtaining the most favorable execution of the transactions in seeking to implement Senator's investment strategy. Senator will effect transactions with those brokers and dealers which Senator believes provide the most favorable prices and who are capable of providing efficient executions. Those factors that Senator believes contribute to efficient execution include size of the order, difficulty of execution given the nature of the asset and/or prevailing market conditions, operational capabilities and facilities of the broker or dealer involved, whether that broker or dealer has risked its own capital in positioning a block of securities or other assets and the prior experience of the broker or dealer in effecting transactions of the type in which Senator will engage.

Soft Dollars. Senator may, when circumstances warrant, enter into so called "step out" trades or utilize brokers which have commission sharing agreements ("CSA"), whereby all or part of a commission on a transaction is sent to one party while the transaction is executed by a different party. Senator benefits from the use of CSA to obtain research or other products or services in that it does not itself have to directly pay for the research and/or other products or services. Additionally, Senator has an incentive to utilize trading counterparties that are included in the CSA based on its ability obtain research and/or other products and services through the CSA, and such incentive could jeopardize Senator's best execution practices. A portion of the overall commissions generated through the CSA is utilized as credit towards the receipt of research and/or other products and services, and therefore the commissions are higher than would otherwise be paid outside of the CSA. The Funds generally receive research services through the CSA (which benefit all of the Funds). Senator maintains procedures that guide its trading processes, including the generation of CSA credits and the evaluation of its trading capabilities. Senator additionally receives proprietary research from a number of broker-dealers with whom it conducts business.

Transactions in Foreign Securities. Transactions in foreign securities may entail materially higher commission rates, reflecting settlement costs in the country of execution. To the extent that securities are required to be custodied or traded in a foreign country, the local foreign custodian charges the broker in accordance with local custom. These fees will be charged to the Funds as incurred. In addition to the risks of the investment, foreign securities investments also entail risks of fluctuation in the exchange rate between the local currency and the U.S. dollar.

Use of Placement Agents/Solicitors as Executing Brokers. Senator has not utilized or compensated "placement agents" or "solicitors" to sell interests in the Funds, however it retains the ability to do so in the future

Gifts. Our personnel may receive or give certain gifts from or to broker-dealers or other persons with whom we do business. These may include items such as tickets to sporting events, meals and other entertainment, as well as attendance at educational or information conferences, transportation, logo items and other smaller value gifts. The receipt of such gifts might be viewed

as a conflict of interest for us in selecting broker-dealers and other service providers. Senator's policies prohibit employees from accept high value gifts or excessively lavish entertainment from any person or entity that does or seeks to do business with Senator or its clients. Employees are required to pre-approve and/or report gifts exceeding certain thresholds.

Errors. Errors might occur in the normal course of business despite the best efforts of Senator to prevent them. It is the policy of Senator to review errors that it discovers, on a case by case basis, and decide what corrective steps to take, if any. After review by a Senator principal, Senator may charge any expenses incurred as a result of these errors to the applicable Fund, provided that gross negligence on the part of Senator was not the cause of the error.

Aggregation of Orders. The same investment decision may be made for more than one Fund managed by Senator. In such circumstances, in the event that purchase and sell orders of the same class of security are occurring at the same time for multiple Funds, the orders may be combined for the purpose of seeking best execution for each participating Fund. An order that is partially filled, will, as a general matter, be allocated pro-rata in proportion to each participant's original order or account size. Notwithstanding, additional factors may cause deviations from Senator's general trade allocation methodology.

Item 13

Review of Client Accounts

Senator's personnel continuously review the Funds' current investments and discuss potential investment opportunities. Investors receive monthly account statements from the Fund Administrator. Generally, investors will also receive unaudited exposure and performance information on a monthly basis, and a written update on Senator's activity on a quarterly basis. Senator generally provides audited financial statements to its clients and Fund investors on an annual basis.

Item 14

Client Referrals and Other Compensation

Senator receives certain economic benefits from broker-dealers and prime brokers which we conduct business with that might not be received otherwise. The services may include proprietary research as well as participation in sponsored research and capital introduction services. While these services are generally provided at no additional cost, we may select certain broker-dealers due to receipt of such services. Neither Senator nor any related person directly or indirectly compensates any person who is not a supervised person, including placement agents, for client referrals. While Senator has not compensated third parties that refer investors to us, we retain the ability to do so in the future.

Item 15

Custody

Senator may be deemed to have custody of certain client assets as a result of fee payments paid to the investment advisor or the services of certain affiliates as general partners to certain of the Funds. All Fund assets are generally held in custody by unaffiliated broker-dealers or banks acting in the capacity as “qualified custodians”, subject to limited exceptions for certain private securities. Senator has also developed procedures that ensure the safeguarding and protection of the assets. Such procedures include among other things, the separation of functions and dual signatory approvals for the distribution of Fund capital.

The Funds are subject to an annual audit and the audited financial statements are distributed to each investor. The audited financial statements are prepared in accordance with generally accepted accounting principles and are intended to be provided to investors within 120 days of the Funds’ fiscal-year ends.

Item 16

Investment Discretion

Senator maintains the authority to manage the Funds on a discretionary basis in accordance with the terms set forth in the Funds’ governing documents. Senator or an affiliate of Senator entered into an investment management agreement, or similar agreement, with each Fund, pursuant to which Senator or an affiliate of Senator was granted discretionary trading authority.

Item 17

Voting Client Securities

Senator has adopted proxy voting policies and procedures, to the guide its exercise of this responsibility on behalf of the Funds. Senator’s Proxy Voting Policy as well as a record of its proxy votes, is available upon request. Senator utilizes Glass Lewis to assist it regard to proxy votes. The final decision on how to vote a proxy generally is made in accordance with the recommendations of the Portfolio Managers, who may rely on information and recommendations from other employees or service providers. The Portfolio Managers may consult with the CCO regarding decisions and completion of the proxy material. Decisions are based on a number of factors which may vary depending on a proxy’s subject matter, but the overall objective is to vote proxies in the best interest of the Funds and, in so doing, to maximize the value of the investments made by the Funds taking into consideration the Funds’ investment horizons and other relevant factors.

A conflict of interest may occur where Senator or any of its employees or affiliates has a direct or indirect economic stake in the outcome of a proxy vote. Additionally, different Funds could have conflicting interest in regard to the outcome of a vote. Potential conflicts could arise in a number of situations. Due to the close monitoring of company activities by Senator, we expect to be aware of any potential conflicts of interest that may arise. We also require the Portfolio Managers to disclose any personal conflicts of interest they may have with respect to overseeing a Fund’s investment in a particular company. When a potential conflict arises between Senator on the one hand and one or more of our Funds on the other, the CCO, in consultation with the Portfolio

Managers, will evaluate the matter to determine whether an actual conflict exists. Where an actual conflict exists, Senator will take necessary and appropriate steps to eliminate the conflict, which may include removing one of the Portfolio Managers from the voting process or taking similar actions. In addition, we may consider the following as potential methods for resolving conflicts: (i) disclosing the matter to the board of directors, if any, of the Fund and obtaining such board's consent or direction, or (ii) suggesting to the board of directors, if any, that such board hire a third party to make a determination on how to vote a particular proxy. Finally, situations may arise in which more than one Fund invests in the same company or another entity of Senator invests in the same company. In these situations, two or more Funds may have different investment objectives, client-specific voting policies or ultimate economic interests. In these situations, Funds may cast opposing votes, although the Portfolio Managers will generally consult with the CCO before doing so.

Item 18

Financial Information

This section is not applicable to the Adviser