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**TYRIAN INVESTMENTS, L.P.**  
**PART 2A OF FORM ADV: FIRM BROCHURE**

**Tyrian Investments, L.P.**  
**101 Park Avenue, 21<sup>st</sup> Floor**  
**New York, NY 10178**

**February 19, 2014**

**This brochure provides information about the qualifications and business practices of Tyrian Investments, L.P. (“Tyrian” or the “Firm”). If you have any questions about the contents of this brochure, please contact Tyrian’s Chief Compliance Officer at (212) 883-3390 or [bwalbridge@tyrianinv.com](mailto:bwalbridge@tyrianinv.com). The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission (“SEC”) or by any state securities authority.**

**Additional information about Tyrian also is available on the SEC’s website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).**

**Tyrian is registered with the SEC as an investment adviser. Being a “registered investment adviser” or describing Tyrian as being “registered” does not imply a certain level of skill or training.**

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***Item 2: Material Changes***

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Tyrian is filing this initial Form ADV Part 2A as part of its transition from an Exempt Reporting Adviser to a Registered Investment Adviser with the U.S. Securities and Exchange Commission (“SEC”). In the future, this Item 2 will only discuss specific material changes that have been made since the last filing and will provide a summary of those changes, which will be reflected below.

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***Item 3: Table of Contents***

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**Item 4: Advisory Business**

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Tyrian Investments, L.P. (“**Tyrian**” or the “**Firm**”), a Delaware limited partnership, commenced investment operations in October 2009. Orlando Muyschondt is the principal owner of the Firm and controls it through Tyrian General Partner, LLC.

Tyrian provides investment advisory services to privately offered pooled investment vehicles and two managed accounts (the “**Managed Accounts**”). Tyrian’s privately offered pooled investment vehicles are Tyrian Global Opportunities Fund, LP (the “**Onshore Fund**”), a Delaware limited partnership, and Tyrian Global Opportunities Offshore, Ltd (the “**Offshore Fund**”), a Cayman corporation, each of which invests all or substantially all of its assets in Tyrian Global Opportunities Master, LP (the “**Master Fund**” together with the Onshore Fund and the Offshore Fund, the “**Funds**”), a Cayman Islands exempted limited partnership (the Funds, together with the Managed Accounts are collectively referred to as the “**Advisory Clients**”). Tyrian’s only clients are the Advisory Clients.

The investment objective for each of the Advisory Clients is to deliver superior risk-adjusted returns by pursuing a global opportunistic investment strategy. The Firm seeks to realize a high absolute rate of return typically by buying securities trading significantly below their intrinsic value and selling short securities trading significantly above their intrinsic value. For a further description of the Advisory Clients and their applicable investment strategies, please see Items 7 and 8 below.

The Firm’s investment management and advisory services to the Funds are provided pursuant to the terms of the relevant offering memorandum and the IMA (as defined below) between the Firm and each Fund. Investors in the Funds cannot obtain services tailored to their individual specific needs.

Tyrian also provides investment management and advisory services to Managed Accounts. Such services are provided pursuant to the agreed upon investment guideline terms set forth in the IMA between each Managed Account and Tyrian.

As of December 31, 2013, Tyrian manages \$769,458,629 in net Advisory Client assets under management on a discretionary basis. Tyrian does not manage any advisory client assets on a non-discretionary basis.

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**Item 5: Fees and Compensation**

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**Compensation from the Master Fund.** Tyrian receives compensation from the Master Fund in the form of management fees (the “**Management Fee**”) and the General Partner receives compensation in the form of performance-based allocations (the “**Incentive Allocation**”). The Funds are not subject to any additional Management Fees or Incentive Allocations at the level of any Fund.

**Management Fee:** As of the beginning of each calendar quarter, the Master Fund pays a Management Fee to Tyrian. The Management Fee is equal to .375% (1.5% on an annualized basis) of the aggregate net asset value of each (i) limited partner’s capital account maintained in the Onshore Fund and (ii) the net asset value of each series of shares at the beginning of each calendar quarter computed prior to the accrual of any Incentive Allocation during a fiscal year. In the case of a limited partner or shareholder admitted to a Fund after the first day of the relevant calendar quarter, the Management Fee will be pro-rated based on the admission date of such limited partner or shareholder, as applicable.

***Incentive Allocation:*** For each fiscal year of the Master Fund, the General Partner will be entitled to an Incentive Allocation at the Master Fund equal to 20% of any realized and unrealized net profit (determined after reduction for the Management Fee) preliminarily allocated to a sub-account maintained by the Master Fund with respect to (i) each limited partner in the Onshore Fund and (ii) each series of shares in the Offshore Fund, in each case, for such fiscal year, subject to the Loss Recovery Sub-Account (as defined below). The Incentive Allocation is subject to a loss carry-forward provision, meaning that no Incentive Allocation is allocated to the General Partner with respect to a limited partner in the Onshore Fund or a series of shares in the Offshore Fund until such limited partner or series, as the case may be, has first recovered losses previously allocated to such investor or series (commonly referred to as a “high watermark”), as reduced for any withdrawals or redemptions, as the case may be. The Incentive Allocation will be allocated as of the close of each fiscal year of the Master Fund and on any date on which a limited partner withdraws all or a portion of its capital account or a shareholder redeems all or a portion of its shares, in which case the Incentive Allocation will be determined with respect to the amount withdrawn or redeemed, as applicable.

Any Illiquid Investments (as defined below) will not be taken into account for the purposes of calculating the Management Fee or Incentive Allocation until such Illiquid Investment is realized or deemed realized, at which point the net profit or loss, if any, on such Illiquid Investment will be allocated to the corresponding capital account in the Onshore Fund or series of shares in the Offshore Fund, as applicable, and taken into account in determining the Incentive Allocation for the year, in which such liquidation or other realization or deemed realization took place. If the corresponding capital account in the Onshore Fund or series of shares in the Offshore Fund has been fully withdrawn or redeemed, as applicable, the Incentive Allocation on the Illiquid Investment will be made upon liquidation or other realization or deemed realization.

Tyrian may agree with a Fund and/or the Master Fund to waive all or a portion of the Management Fee with respect to one or more investors. The General Partner may agree with a Fund and/or the Master Fund to waive all or a portion of the Incentive Allocation with respect to one or more investors.

Neither Tyrian nor the General Partner bills the investors in the Funds for Management Fees or Incentive Allocations. Rather, Management Fees are deducted from the assets of the Master Fund on a quarterly basis, in advance. Each Fund is responsible for its pro rata portion of the Management Fee and in turn charges its applicable Management Fee to the capital accounts or shares, as applicable, of each investor in such Fund accordingly. Similarly, the Incentive Allocations are made within the Master Fund generally at the end of each year, or sooner with respect to any investor who withdraws or redeems from a Fund at any time other than at the end of a fiscal year.

### **Compensation for the Managed Accounts.**

Tyrian also receives compensation from each Managed Account in the form of advisory fees (the “Advisory Fees”) and performance-based fees (the “Performance Fees”). Managed Account 1 pays to Tyrian an Advisory Fee equal to 1.5% per annum of the amount that Tyrian has been advised to manage in accordance with the IMA for Managed Account 1. Such Advisory Fee shall be reduced to 1% per annum once the amount that Tyrian has been advised to manage in accordance with the IMA for Managed Account 1 exceeds \$50,000,000. The Advisory Fee with respect to Managed Account 1 shall accrue on a monthly basis in USD at the closing of each valuation day and billed by Tyrian as soon as possible following each calendar quarter end. The Advisory Fee with respect to the Managed Account 1 shall be prorated to reflect such intra-month increase(s) or decrease(s) of the Trading Level. The Managed Account 2 pays to Tyrian a monthly Advisory Fee calculated at an annual rate of 1.5% of the net asset value of the Managed Account 2. The Advisory Fee shall be payable by the Managed Account 2 in cash within thirty (30) days following

the first business day of each calendar month. The Advisory Fee with respect to the Managed Account 2 shall be adjusted for deposits made during a month.

With respect to the Managed Account 1, a Performance Fee equal to 20% of the net profits, if any, achieved for the Managed Account 1 during each calendar year will be paid to Tyrian. The Performance Fee shall accrue at the closing of each valuation day and billed by Tyrian as soon as possible following the end of each calendar year. The Performance Fee shall be payable within 20 business days after the receipt of the invoice. With respect to Managed Account 2, a Performance Fee equal to 20% of the net increase in the net asset value of the Managed Account 2 during each fiscal year will be paid to Tyrian at the end of such year. With respect to the Managed Account 1 and the Managed Account 2, the applicable Performance Fee will only be payable if positive net profits are achieved with respect to the applicable Managed Account for the applicable year.

Tyrian sends an invoice to the Managed Account or the Managed Account owner will authorize fees to be paid to Tyrian for management and Performance Fees as defined in the IMA with the Managed Account. Tyrian does not have the authority to directly withdraw money from the Managed Accounts for Advisory Fees and/or Performance Fees. The owner of the Managed Account 2; however, has given Tyrian permission to instruct the custodian of the Managed Account 2, to deduct any and all expenses, including Advisory Fees due to Tyrian, directly from the Managed Account 2 when such expenses or fees are payable to Tyrian, provided that a copy of the calculation of such expenses is given to the owner of the Managed Account 2 and any of its representatives.

In addition to the compensation described above, each Fund will bear all costs and expenses related to its investments and operations, including, but not limited to: the Management Fee; investment expenses (i.e., expenses related to the investment of the assets of the Funds, including, without limitation, clearance, exchange, structuring, technology fees, legal, brokerage and other transaction costs, custody fees, interest and other borrowing charges, including on securities sold short, professional and legal expenses relating to particular investments, and other expenses reasonably related to the investment decision and monitoring process); expenses from derivatives transactions; taxes; insurance premiums obtained on behalf of the Funds; legal fees and expenses; regulatory expenses; consulting fees; accounting; audit and tax preparation fees and expenses; the Funds' administrator's fees; indemnification expenses, and other ordinary and extraordinary expenses associated with the operation of the Funds and the Master Fund and their investment activities. It is anticipated that most investment related expenses and certain other expenses, will be incurred by the Master Fund, and each Fund will be responsible for its pro rata portion of such expenses. A portion of the Funds' and the Master Fund's operating expenses may be shared with other investment entities or accounts managed by the General Partner, Investment Manager or any of their respective affiliates on an equitable basis.

The Managed Account 2 will pay all expenses incurred in connection with transactions effected or positions held on behalf of the Managed Account 2, including, without limitation: trading losses; any Advisory Fee or Performance Fee payable to Tyrian hereunder; proxy voting services; investment expenses such as clearance, exchange, structuring, technology fees, legal, brokerage and other transaction costs, custody fees, interest and other borrowing charges, including on securities sold short, professional and legal expenses relating to particular investments, and other expenses reasonably related to the investment decision and monitoring process, research fees and expenses (including research related travel) provided such expenses are allocated to all accounts managed by Tyrian in proportion to the size of each account; bank service fees; interest on Managed Account 2-related loans and debit balances and withholding, transfer or other taxes; the costs of any outside professionals or consultants retained in connection with specific positions; Managed Account 2-related insurance costs; and any other expenses reasonably related to the purchase, preservation, sale or transmittal of Managed Account 2 assets. The Managed Account 2 shall bear all audit, tax, legal, compliance, administrator and accounting expenses of the Managed Account 2 (including third party accounting services).

The Advisory Clients generally incur brokerage and other transaction costs as described above. See Item 12 for further information regarding brokerage.

Tyrian and its supervised persons do not accept any compensation for the sale of securities or other investment products, including any interests in the Funds.

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***Item 6: Performance-Based Fees and Side-by-Side Management***

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Tyrian is entitled to receive an annual incentive allocation of 20% of the net profits (including realized and unrealized gains), if any, attributable to each investor's and each Managed Account client's capital account, if any, subject to a loss carry-forward provision and adjusted for deposits and withdrawals.

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***Item 7: Types of Clients***

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Tyrian provides discretionary investment management services to the Funds and Managed Accounts, as described in Item 4.

The investors in the Funds include trusts, fund of funds and high net worth individuals. Investors in the Onshore Fund and U.S. investors in the Offshore Fund must each be (i) an "accredited investor," as that term is defined in Rule 501 of Regulation D promulgated under the Securities Act of 1933, as amended, and (ii) a "qualified purchaser," as that term is defined in Section 2(a)(51)(A) of the Investment Company Act of 1940, as amended. The investors in the Managed Accounts include pooled investment vehicles.

The required minimum initial investment in each Fund, which can be modified for any prospective investor by the General Partner of the Onshore Fund, or the Firm on behalf of the Offshore Fund, is \$500,000.

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

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Each Advisory Client's investment objective is to deliver superior risk-adjusted returns by pursuing a global opportunistic investment strategy. The Advisory Clients seek to realize a high absolute rate of return typically by buying securities trading significantly below their intrinsic value and selling short securities trading significantly above their intrinsic value. The Advisory Clients expect to trade and invest primarily in publicly-traded equity securities. The Advisory Clients may also invest a portion of their respective assets in other securities, including debt. The Advisory Clients will strive to balance their respective return objectives with the goals of capital preservation and risk management and Tyrian will combine fundamental value discipline with a pragmatic understanding of markets.

Tyrian believes that capital markets, although efficient over the long term, can be inefficient over the short-to-intermediate term. Such inefficiencies, if identified and capitalized upon, can result in superior risk-adjusted returns. Tyrian believes that inefficiencies can result from factors such as unrecognized changes in fundamentals, over-reaction to changes in fundamentals, investor psychology, technical buying or selling, supply and demand imbalances in the market for specific securities, changes in liquidity, heightened complexity and uncertainty resulting from macro or corporate events and other short to intermediate-term trading considerations. During such periods, a security's market value may diverge materially from its intrinsic value. Tyrian's objective is to identify such securities and invest in those securities which it believes offers the most compelling risk reward scenario.

Tyrian will seek to invest each Advisory Client's assets with a long term orientation while simultaneously seeking to take advantage of short term volatility. The Advisory Clients expect to invest in securities on a global basis, provided that each Advisory Client may be relatively concentrated in the issuers of one or a small number of countries from time to time.

### ***Material Risks***

An investment in an Advisory Client involves a high degree of investment risk, including the risk that the entire amount invested may be lost. The Advisory Clients make investments using strategies and financial techniques with significant risk characteristics. No guarantee is made that the investment objectives of the Advisory Clients will be realized. There is no guarantee that the Advisory Clients will be able to control investment risks or that the risks will not aggregate in a manner adverse to the Advisory Clients. The risks associated with particular investments by the Advisory Clients include, but are not limited to, the following:

***Lack of Liquidity.*** The markets for some securities, in which one or more Advisory Clients may invest, may be thinly traded from time to time. The Advisory Clients may invest in assets and derivatives which it may not be able to readily sell or dispose of, including securities whose disposition is restricted by securities laws. The Advisory Clients' ability to sell assets or derivatives may be adversely affected by limited trading volume, lack of a market maker, or legal restrictions. Other instruments, and in particular, caps, floors, collars, and certain other derivatives, may also have varying liquidity and/or pricing availability. Short sales are particularly subject to liquidity risk because the Advisory Clients' purchase of securities or currencies to close out a short position can itself cause the price of the securities or currencies to rise further, thereby exacerbating the loss. It is also possible that an exchange or governmental authority (i.e. the U.S. Securities and Exchange Commission (the "SEC")) may suspend or restrict trading on an exchange or in particular securities or other instruments traded on the exchange.

In such case, the Advisory Clients may not be able to liquidate an investment efficiently or expeditiously should market conditions demand it. It may not always be possible 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 (the maximum permitted fluctuation in the price of a futures or options contract during any trading day) or "circuit breakers." This lack of liquidity could disadvantage the Advisory Clients, both in realization of the prices which are quoted and in the execution of orders at desired prices or in desired quantities. The Advisory Clients may be reliant on its counterparties to furnish liquidity and financing for a particular investment.

***Leverage.*** The Firm may utilize leverage in investing the Advisory Clients' assets, including through engaging in trading on margin by borrowing funds and pledging securities as collateral. While such use of borrowed funds increases returns if the Advisory Clients earn a greater return on the incremental investments purchased with borrowed funds than it pays for such funds, the use of leverage decreases returns if the Advisory Clients fail to earn as much on such incremental investments as it pays for such funds. The effect of leverage may, therefore, result in a greater decrease in the net asset value of the Advisory Clients than if the Advisory Clients were not so leveraged. Any use by the Advisory Clients of short-term margin borrowings will result in certain additional risks to the Advisory Clients. For example, the securities pledged to brokers to secure the Advisory Clients' margin accounts could be subject to a "margin call," pursuant to which the Advisory Clients would be required to either deposit additional funds with the broker or suffer mandatory liquidation of the pledged securities to compensate for the decline in value. A sudden, precipitous drop in value of the Advisory Clients' assets accompanied by corresponding margin calls could force the Advisory Clients to liquidate assets quickly, and not for what the Firm perceives to be their fair value, in order to pay off its margin debt. In addition, the Advisory Clients may engage in certain derivative transactions which implicitly contain leverage and subject the Advisory Clients to the same risks discussed above.



**Long-Short Equity.** Since a long-short equity strategy involves identifying securities which are generally undervalued (or, in the case of short positions, overvalued) by the marketplace, success of this strategy necessarily depends upon the market eventually recognizing such value in the price of the security, which may not necessarily occur or may occur over extended time frames which limit profitability. Positions may undergo significant short-term declines and experience considerable price volatility during these periods. In addition, long and short positions may or may not be correlated to each other. If the long and short positions are not correlated, it is possible to have investment losses on both the long and short side of the portfolio.

**Leveraged Companies.** The Advisory Clients' investments may include companies whose capital structures have significant leverage. Such investments are inherently more sensitive to declines in revenues and to increases in expenses and interest rates. The leveraged capital structure of such investments will increase the exposure of the portfolio companies to adverse economic factors such as downturns in the economy or deterioration in the condition of the portfolio company or its industry. Additionally, the securities acquired by the Advisory Clients may be the most junior in what will typically be a complex capital structure, and thus subject to the greatest risk of loss.

**Currency Risk.** The investments of the Advisory Clients that are not denominated in the U.S. dollar 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. Officials in foreign countries may from time to time take actions in respect of their currencies that could significantly affect the value of the Advisory Clients' assets denominated in those currencies or the liquidity of such investments. For example, a foreign government may unilaterally devalue its currency against other currencies, which would typically have the effect of reducing the U.S. dollar value of investments denominated in that currency. A foreign government may also limit the convertibility or repatriation of its currency or assets denominated in that currency. The Advisory Clients may, but are not required to, invest in foreign currencies, foreign currency futures contracts and options thereon, forward foreign currency exchange contracts, or any combination thereof for hedging purposes, but there can be no assurance that such strategies will be implemented, or if implemented, will be effective.

**Small and Medium Capitalization Companies.** There is no limitation on the size or operating experience of the companies in which the Advisory Clients may invest. The Advisory Clients may take long and short positions in the equity securities of companies with small- to medium-sized market capitalizations. Some small companies in which the Advisory Clients will invest may lack management depth or the ability to generate internally or obtain externally the funds necessary for growth. Companies with new products or services could sustain significant losses if projected markets do not materialize. Further, such companies may have, or may develop, only a regional market for products or services and may be adversely affected by purely local events. Such companies may be small factors in their industries and may face intense competition from larger companies and entail a greater risk than investment in larger companies. Prices of small-capitalization and even medium-capitalization securities are often more volatile than prices of large-capitalization securities and the risk of bankruptcy or insolvency of many smaller companies (with the attendant losses to investors in the case of long positions) is higher than for larger "blue-chip" companies. In addition, due to thin trading in the securities of some small-capitalization companies, an investment in those companies may be less liquid.

**Trading Risk.** The valuation models and trading techniques used by the Firm may not be successful and thereby may cause the Advisory Clients to incur losses on the positions it initiates. The Firm's failure to either formulate its investment thesis correctly or to implement its trades effectively could result in substantial and even total losses to the Advisory Clients. Market volatility or other factors may not be as expected, thereby affecting the success of trading strategies.

**Market Disruption and Geopolitical Risk.** The Advisory Clients are subject to the risk that war, terrorism, and related geopolitical events may lead to increased short-term market volatility and have adverse long-term effects on the U.S. and world economies and markets generally, as well as adverse effects on issuers of securities and the value of the Advisory Clients' investments. War, terrorism, and related geopolitical events have led, and in the future may lead, to increased short-term market volatility and may have adverse long-term effects on U.S. and non-U.S. economies and markets generally. Those events as well as other changes in U.S. and non-U.S. economic and political conditions also could adversely affect individual issuers or related groups of issuers, securities markets, interest rates, credit ratings, inflation, investor sentiment, and other factors affecting the value of the Advisory Clients' investments. At such times, the Advisory Clients' exposure to a number of other risks described elsewhere in this section can increase.

**Portfolio Turnover.** The Fund has not placed any limit on the rate of portfolio turnover, and portfolio securities may be sold without regard to the time they have been held when, in the opinion of the Firm, investment considerations warrant such action. A high rate of portfolio turnover involves correspondingly greater expenses than a lower rate, may act to reduce the Fund's investment gains, or create a loss for investors and may result in taxable costs for investors depending on the tax provisions applicable to such investors.

**Swaps and Counterparty Risks.** The Advisory Clients may utilize swaps and other derivative transactions to some degree where it believes it will further the objectives of the Advisory Clients. Notional amounts of swap transactions are not subject to any limitations, and swap contracts may expose the Advisory Clients to unlimited risk of loss. Swaps may be used as an alternative to futures contracts. To the extent the Advisory Clients invest in repos, swaps, forwards, futures, options, and other "synthetic" or derivative instruments, counterparty exposures can develop and the Advisory Clients takes the risk of nonperformance by the other party on the contract. This risk may differ materially from those entailed in exchange-traded transactions which generally are supported by guarantees of clearing organizations, daily marking-to-market and settlement, and segregation and minimum capital requirements applicable to intermediaries. Transactions entered into directly between two counterparties generally do not benefit from such protections and expose the parties to the risk of counterparty default. In the international securities markets, the existence of less mature settlement structures and systems can result in settlement default and exposure to counterparty credits.

The Advisory Clients may only close out a swap or contract for differences with the consent of the particular counterparty, may only transfer a position with the consent of the particular counterparty, and following transfer of a position, may only close out the transaction with the new counterparty. Also, if the counterparty defaults, the Advisory Clients will have contractual remedies pursuant to the agreement related to the transaction, but there is no assurance that contract counterparties will be able to meet their obligations pursuant to such contracts or that, in the event of default, the Advisory Clients will succeed in enforcing its contractual remedies. There also may be documentation risk, including the risk that the parties may disagree as to the proper interpretation of the terms of a contract. If such a dispute occurs, the cost and unpredictability of the legal proceedings required to enforce its contractual rights may lead the Advisory Clients to decide not to pursue its claims against the counterparty. The Advisory Clients thus assume the risk that it may be unable to obtain payments owed to it under swap contracts, over-the-counter options, and other two-party contracts, or that those payments may be delayed or made only after the Advisory Clients have incurred the costs of litigation.

Certain markets in which the Advisory Clients may effect transactions are over-the-counter or "interdealer" markets, and may also include unregulated private markets. The participants in such markets typically are not subject to the same level of credit evaluation and regulatory oversight as are members of "exchange-based" markets. This exposes the investor to the risk that a counterparty will not settle a transaction in accordance with its terms and conditions because of a dispute over the terms of the contract (whether or not bona fide) or because of a credit or liquidity problem, thus causing the Advisory Clients to suffer a loss. Such "counterparty risk" is accentuated for contracts with longer maturities where events may intervene to

prevent settlement, or where the Advisory Clients have concentrated its transactions with a single or small group of counterparties. The Advisory Clients may also be exposed to similar risks with respect to non-U.S. brokers in jurisdictions where there are delayed settlement periods. The Advisory Clients are not restricted from dealing with any particular counterparty or from concentrating any or all transactions with one counterparty. The ability of the Advisory Clients to transact business with any one of a number of counterparties, the lack of any meaningful and independent evaluation of such counterparties' financial capabilities, and the absence of a regulated market to facilitate settlement may increase the potential for losses by the Advisory Clients.

***Concentration of Investments.*** The Advisory Clients' portfolio may be concentrated at times (by either issuers or industry or both). As such, the Advisory Clients' assets may not be diversified. Any such non-diversification would increase the risk of loss to the Advisory Clients if there was a decline in the market value of any investment in which the Advisory Clients have invested a large percentage of its assets. In addition, investments the Firm believes are diversified may correlate in ways not predicted by the Firm. Valuation of companies may not correlate to the overall market and may experience greater price volatility.

***General Economic and Market Conditions.*** General fluctuations in the market prices of securities may affect the value of the investments held by the Advisory Clients. Instability in the securities markets may also increase the risks inherent in the Advisory Clients' investments. In particular, major market upsets (including those caused by war, terrorism, or other world events), general market cessations, changes in interest rates, availability of credit, inflation rates, economic uncertainty, changes in laws (including laws relating to taxation of the Advisory Clients' investments), trade barriers, currency exchange controls, the relative volatility between investments or equity derivative risk, the participation by other investors in the financial markets, and unusual market conditions can affect the value of the Advisory Clients' securities, and the effectiveness of its hedging strategies. These factors may affect the level and volatility of securities prices and the liquidity of the Advisory Clients' investments. Volatility or illiquidity could impair the Advisory Clients' profitability or result in losses. The Advisory Clients may maintain substantial trading positions that can be adversely affected by the level of volatility in the financial markets; the larger the positions, the greater the potential for loss.

***Custodial Risk.*** The prime broker of the Advisory Clients' has custody of the Advisory Clients' securities, cash, distributions and rights accruing to the Advisory Clients' securities accounts. SEC rules require the prime broker to maintain physical possession and control of fully paid securities held in the Advisory Clients' account and to establish certain reserves for the benefit of customers. However, subject to these limitations, the prime broker generally has the ability to loan, pledge, and rehypothecate the securities in the Advisory Clients' account, as is typical market practice, and may have insufficient assets to meet all of its obligations to customers in the event of an insolvency of the prime broker. In such an event, the Advisory Clients would not have an absolute right to recover its securities held by the prime broker, but would rather participate pro rata with other customers of the prime broker in the aggregate customer property held by the prime broker. Also, even if the prime broker does have sufficient assets to meet all customer claims, there could be a delay before the Advisory Clients receive assets to satisfy their claims.

The prime broker may hold the Advisory Clients' securities through third parties such as clearing corporations, other brokers or banks. As a result, the Advisory Clients may be subject to credit risk with respect to such third parties as well as with respect to the prime broker. In addition, certain of the Advisory Clients' assets may be held by entities other than the prime broker. For example, the Advisory Clients may provide certain of its assets as collateral to counterparties in connection with over-the-counter derivatives contracts such as swaps, forwards and certain options, and is likely to be an unsecured creditor of any such counterparty in the event of its insolvency.

The Advisory Clients may change the brokerage and custodial arrangements described in this Memorandum at any time without notice to Limited Partners.

**Position Limits.** “Position limits” imposed by various regulators may limit the Advisory Clients’ ability to effect desired trades. Position limits are the maximum amounts of net long or net short positions that any one person or entity may own or control in a particular financial instrument. All positions owned or controlled by the same person or entity, even if in different accounts, may be aggregated for purposes of determining whether the applicable position limits have been exceeded. Thus, even if the Advisory Clients do not intend to exceed applicable position limits, it is possible that different accounts managed by the Firm and its affiliates may be aggregated. If at any time positions managed by the Firm were to exceed applicable position limits, the Firm would be required to liquidate positions to the extent necessary to come within those limits. Further, to avoid exceeding the position limits, the Advisory Clients might have to forego or modify certain of its contemplated trades.

**Hedging Transactions.** The Advisory Clients may hedge some or all of its portfolio by taking long and short positions in related securities or through the use of futures, swaps, and other derivative instruments, involving, among other things, securities, interest rates or currencies. Hedging against a decline in the value of a portfolio position does not eliminate fluctuations in the values of such position or prevent losses if the value of such position declines, but establishes other positions designed to gain from those same developments, thus seeking to partially mitigate such decline in value. Such hedging transactions may also limit the opportunity for gain if the value of the portfolio position should increase. In the event of an imperfect correlation between a position in a hedging instrument and the portfolio position that it is intended to protect, the desired protection may not be obtained, and the Advisory Clients may be exposed to risk of loss. It is not possible to hedge fully or perfectly against any risk, and a hedged transaction might nevertheless produce a net loss. In addition, hedges entail their own costs and may be more difficult to implement than many other transactions and possibilities for errors may be greater than for other transactions. The Advisory Clients may determine in its sole discretion not to hedge its portfolio against certain risks or may not anticipate certain risks, and certain risks may exist that cannot be hedged.

**Financing Arrangements.** As a general matter, the banks and dealers that provide financing to hedge funds have considerable discretion in setting and changing their margin, collateral requirements, financing, and collateral valuation policies, often on limited notice. Changes by banks and dealers in any of the foregoing policies may result in large margin calls, loss of financing, and forced liquidations of positions at disadvantageous prices.

**Short Sales.** The Firm is expected to make short sales of investment securities. In a short sale, the seller sells a security that it does not own, typically a security borrowed from a broker or dealer. Because the seller remains liable to return the underlying security that it borrowed from the broker or dealer, the seller must purchase the security prior to the date on which delivery to the broker or dealer is required. As a result, the Advisory Clients expect to engage in short sales only where it believes the value of the security will decline between the date of the sale and the date the Advisory Clients are required to return the borrowed security. The making of short sales exposes the Advisory Clients to the risk of liability for the market value of the security that is sold, which is an unlimited risk due to the lack of an upper limit on the price to which a security may rise. In addition, there can be no assurance that securities necessary to cover a short position will be available for purchase or that securities will be available to be borrowed by the Advisory Clients at reasonable costs. If a request for return of borrowed securities occurs at a time when other short sellers of the security are receiving similar requests, a “short squeeze” can occur, and the Advisory Clients may be compelled to replace borrowed securities previously sold short with purchases on the open market at the most disadvantageous time, possibly at prices significantly in excess of the proceeds received in originally selling the securities short.

Short sale transactions have been subject to increased regulatory scrutiny in response to recent market events, including the imposition of restrictions on short selling certain securities and reporting requirements. An Advisory Client’s ability to execute a short selling strategy may be materially adversely impacted by temporary and/or new permanent rules, interpretations, prohibitions, and restrictions adopted in response to these adverse market events. Temporary restrictions and/or prohibitions on short selling activity may be

imposed by regulatory authorities with little or no advance notice and may impact prior trading activities of the Advisory Clients. Additionally, the SEC, its foreign counterparts, other governmental authorities and/or self-regulatory organizations may at any time promulgate permanent rules or interpretations consistent with such temporary restrictions or that impose additional or different permanent or temporary limitations or prohibitions. The SEC might impose different limitations and/or prohibitions on short selling from those imposed by various non-U.S. regulatory authorities. These different regulations, rules or interpretations might have different effective periods.

Regulatory authorities may impose restrictions that adversely affect the Advisory Clients' ability to borrow certain securities in connection with short sale transactions. In addition, traditional lenders of securities might be less likely to lend securities under certain market conditions. As a result, the Advisory Clients may not be able to effectively pursue a short selling strategy due to a limited supply of securities available for borrowing. The Advisory Clients may also incur additional costs in connection with short sale transactions, including in the event that it is required to enter into a borrowing arrangement in advance of any short sales. Moreover, the ability to continue to borrow a security is not guaranteed and the Advisory Clients are subject to strict delivery requirements. The inability of the Advisory Clients to deliver securities within the required time frame may subject the Advisory Clients to mandatory close out by the executing broker-dealer. A mandatory close out may subject the Advisory Clients to unintended costs and losses. Certain action or inaction by third-parties, such as executing broker-dealers or clearing broker-dealers, may materially impact the Advisory Clients' ability to effect short sale transactions. Such action or inaction may include a failure to deliver securities in a timely manner in connection with a short sale effected by a third-party unrelated to the Advisory Clients.

**Equity Risk.** The market price of securities owned by the Advisory Clients may go up or down, sometimes rapidly or unpredictably. A risk of investing in the Advisory Clients is that the equity securities in its portfolio will decline in value due to factors affecting equity securities markets generally or particular industries represented in those markets. The values of equity securities may decline due to general market conditions which are not specifically related to a particular company, such as real or perceived adverse economic conditions, changes in the general outlook for corporate earnings, changes in interest or currency rates or adverse investor sentiment generally. They may also decline due to factors which affect a particular industry or industries, such as labor shortages or increased production costs and competitive conditions within an industry. Other risks of investing globally in equity securities may include changes in currency exchange rates, exchange control regulations, expropriation of assets or nationalization, imposition of withholding taxes on dividend or interest payments, and difficulty in obtaining and enforcing judgments against non-U.S. entities. In addition, securities which the Firm believes are fundamentally undervalued or incorrectly valued may not ultimately be valued in the capital markets at prices and/or within the time frame the Firm anticipates. As a result, the Advisory Clients may lose all or substantially all of their investment in any particular instance.

**Fixed-Income Securities.** The Advisory Clients may invest in bonds or other fixed-income securities, including, without limitation, commercial paper and "higher yielding" (and, therefore, higher risk) debt securities. Such securities may be below "investment grade" and may face ongoing uncertainties and exposure to adverse business, financial or economic conditions that could lead to the issuer's inability to meet timely interest and principal payments. The market values of certain of these lower-rated debt securities tend to reflect individual corporate developments to a greater extent than do higher-rated securities, which react primarily to fluctuations in the general level of interest rates, and tend to be more sensitive to economic conditions than are higher-rated securities. Companies that issue lower-rated debt securities often are highly leveraged and may not have access to more traditional methods of financing. Trading in such securities may be limited or disrupted by an economic recession, resulting in an adverse impact on the value of such securities. In addition, it is likely that any such economic downturn could affect adversely the ability of the issuers of such securities to repay principal and pay interest thereon and, therefore, increase the incidence of default for such securities.

***Distressed Securities.*** The Advisory Clients may invest in the securities and obligations of distressed and bankrupt issuers, including debt obligations that are in covenant or payment default. Such investments generally are considered speculative. The repayment of defaulted obligations is subject to significant uncertainties. Defaulted obligations might be repaid, if at all, only after lengthy workout or bankruptcy proceedings, during which the issuer might not make any interest or other payments and the amount of any recovery may be affected by the relative security of the Advisory Clients' investment in the capital structure of the issuer. In addition, distressed investments are more likely to be challenged as fraudulent conveyances and amounts paid on the investment may be subject to avoidance as a preference under certain circumstances.

***Purchasing Securities of Initial Public Offerings.*** Certain of the Advisory Clients may purchase securities of companies in initial public offerings or shortly thereafter. Special risks associated with these securities may include a limited number of shares available for trading, unseasoned trading, lack of investor knowledge of the company, and limited operating history. These factors may contribute to substantial price volatility for the shares of these companies and thus, for the Advisory Clients' interests. The limited number of shares available for trading in some initial public offerings may make it more difficult for the Advisory Clients to buy or sell significant amounts of shares without an unfavorable impact on prevailing market prices. In addition, some companies making initial public offerings are involved in relatively new industries or lines of business, which may not be widely understood by investors. Some of these companies may be undercapitalized or regarded as developmental stage companies, without revenues or operating income, or the near-term prospects of achieving them.

***Investment in Non-U.S. Securities.*** The Advisory Clients may invest in securities issued by non-U.S. governments or securities of companies not domiciled in the U.S. These securities may be denominated in non-U.S. currencies. Such investments may be subject to a greater risk than U.S. investments due to non-U.S. economic, political and legal developments, including favorable or unfavorable changes in currency exchange rates, exchange control regulations (including currency blockage), expropriation of assets or nationalization, imposition of taxes on dividends, interest payments, or capital gains, the need for approval by government or other authorities to make investments, and possible difficulty in obtaining and enforcing judgments against non-U.S. entities and other factors beyond the control of the Firm. Furthermore, issuers of non-U.S. securities are subject to different, often less comprehensive accounting, reporting or disclosure requirements than U.S. issuers. The securities markets of some countries in which the Advisory Clients may invest have substantially less volume than those in the United States, and securities of certain companies in these countries are less liquid and more volatile than securities of comparable U.S. companies. Accordingly, these markets may be subject to greater influence by adverse events generally affecting the market, and by large investors trading significant blocks of securities, than is usual in the United States. Brokerage commissions and other transaction costs on securities exchanges in non-U.S. countries are generally higher than in the United States. Non-U.S. securities settlements may in some instances be subject to delays and related administrative uncertainties. In some countries, there are restrictions on investments or investors such that the only practicable way for the Advisory Clients to invest in such markets is by entering into swaps or other derivative transactions with its prime brokers or others. Such transactions involve counterparty risks which are not present in the case of direct investments and which may not be controllable by the Firm.

The economies of non-U.S. countries may differ favorably or unfavorably from the U.S. economy in such respects as growth of gross domestic product, rate of inflation, currency depreciation, asset reinvestment, resource self-sufficiency and balance of payments position. Further, certain non-U.S. economies are heavily dependent upon international trade and, accordingly, have been and may continue to be adversely affected by trade barriers, exchange controls, managed adjustments in relative currency values and other protectionist measures imposed or negotiated by the countries with which they trade. The economies of certain non-U.S. countries may be based, predominantly, on only a few industries and may be vulnerable to changes in trade conditions and may have higher levels of debt or inflation.

**Convertible Securities.** Convertible securities are bonds, debentures, notes, preferred stocks, or other securities that may be converted into, or exchanged for, a specified amount of common stock of the same or different issuer within a particular period of time at a specified price or formula. A convertible security entitles its holder to receive interest that generally is paid or accrued on debt or a dividend that is paid or accrued on preferred stock until the convertible security matures or is redeemed, converted, or exchanged. Convertible securities have unique investment characteristics in that they generally (i) have higher yields than common stocks, but lower yields than comparable non-convertible securities, (ii) are less subject to fluctuation in value than the underlying common stock due to their fixed-income characteristics, and (iii) provide the potential for capital appreciation if the market price of the underlying common stock increases.

The value of a convertible security is a function of its “investment value” (determined by its yield in comparison with the yields of other securities of comparable maturity and quality that do not have a conversion privilege) and its “conversion value” (the security’s worth, at market value, if converted into the underlying common stock). The investment value of a convertible security is influenced by changes in interest rates, with investment value declining as interest rates increase and increasing as interest rates decline. The credit standing of the issuer and other factors may also have an effect on the convertible security’s investment value. The conversion value of a convertible security is determined by the market price of the underlying common stock. If the conversion value is low relative to the investment value, the price of the convertible security is governed principally by its investment value. To the extent the market price of the underlying common stock approaches or exceeds the conversion price, the price of the convertible security will be increasingly influenced by its conversion value. A convertible security generally will sell at a premium over its conversion value by the extent to which investors place value on the right to acquire the underlying common stock while holding a fixed-income security. Generally, the amount of the premium decreases as the convertible security approaches maturity.

**Options.** The Firm may invest in options. Purchasing put and call options, as well as writing such options, are highly specialized activities and entail greater than ordinary investment risks. Although an option buyer’s risk is limited to the amount of the original investment for the purchase of the option, an investment in an option may be subject to greater fluctuation than an investment in the underlying securities. In theory, an uncovered call writer’s loss is potentially unlimited, but in practice the loss is limited by the term of existence of the call. The risk for a writer of a put option is that the price of the underlying securities may fall below the exercise price. The ability to trade in or exercise options may be restricted in the event that trading in the underlying securities interest becomes restricted.

Unlike exchange-traded options, which are standardized with respect to the underlying instrument, expiration date, contract size, and strike price, the terms of over-the-counter options (options not traded on exchanges) are generally established through negotiation with the other party to the option contract. While this type of arrangement allows the Advisory Clients greater flexibility to tailor an option to its needs, over-the-counter options generally involve greater credit risk than exchange-traded options which are guaranteed by the clearing organization of the exchanges where they are traded.

**Futures and Related Options.** While Firm does not presently expect to invest a significant portion of the Advisory Clients’ assets in futures contracts and related options, the Advisory Clients reserves the right to do so, to the extent permitted by applicable law, at any time. A futures contract is an agreement between two parties to buy and sell a specific quantity of a commodity (including a securities index or an interest-bearing security) for a set price at a future date. The Advisory Clients may also buy and sell call and put options on futures or on securities indexes in addition to, or as an alternative to, purchasing or selling futures contracts, or, to the extent permitted by applicable law, to earn additional income.

The use of futures and options involves certain special risks. Futures and options transactions involve costs and may result in losses. Certain risks arise because of the possibility of imperfect correlations between movements in the prices of futures and options and movements in the prices of the underlying securities, securities index, currencies, or other commodities or of the securities or currencies in the Advisory Clients’

portfolio which are the subject of the hedge (to the extent the Advisory Clients use futures and options for hedging purposes). The successful use of futures and options further depends on the Firm's ability to forecast market or interest rate movements correctly. Other risks arise from the Advisory Clients' potential inability to close out its futures or options positions, and there can be no assurance that a liquid secondary market will exist for any futures contract or option at a particular time. The use of futures and options for purposes other than hedging is regarded as speculative. Certain regulatory requirements may also limit the Advisory Clients' ability to engage in futures and options transactions.

***Other Instruments and Future Developments.*** The Advisory Clients may take advantage of opportunities in the area of swaps, options on various underlying instruments, and swaptions and certain other customized "synthetic" or derivative investments in the future. In addition, the Advisory Clients may take advantage of opportunities with respect to certain other "synthetic" or derivative instruments which are not presently contemplated for use by the Advisory Clients or which are currently not available, but which may be developed to the extent such opportunities are both consistent with the Advisory Clients' investment objective and legally permissible for the Advisory Clients. Special risks may apply to the Advisory Clients' investments in the future.

***Cash and Other Investments.*** The Advisory Clients may invest all or a portion of their assets in cash or cash items for investment purposes, pending other investments or as provision of margin for futures or forward contracts. These cash items are expected to be of high quality at the time of investment and may include a number of money market instruments such as negotiable or non-negotiable securities issued by or short-term deposits with the U.S. and non-U.S. governments and agencies or instrumentalities thereof, bankers' acceptances, high quality commercial paper, repurchase agreements, bank certificates of deposit, and short-term debt securities of U.S. or non-U.S. issuers deemed to be creditworthy by the Firm. While these investments generally involve relatively low risk levels, they may produce lower than expected returns, and could result in losses.

***Illiquid Investments.*** The Advisory Clients do not expect to purchase assets that are illiquid or lack a readily ascertainable fair value. However, in certain circumstances, economic conditions, market conditions or other factors may adversely affect the liquidity of, or the ability to value, certain assets held by one or more Advisory Clients for the longer-term. The Firm or the General Partner may designate an asset of certain Advisory Clients as an "Illiquid Investment" where (i) the sale of such asset could result in a legal or regulatory violation as determined by the Firm or the General Partner, (ii) the exchange, if any, on which such asset is primarily traded is closed, (iii) the price or value of such asset cannot be accurately obtained for ten (10) consecutive trading days, or (iv) the asset becomes restricted from being traded and the Firm or the General Partner determines that such restriction will remain for at least sixty (60) trading days. There is no cap on the amount of an investor's investment in a Fund that may be in an Illiquid Investment.

***Risks of Derivative Instruments.*** The Advisory Clients may engage in a variety of derivative transactions. All derivative instruments, including options, forward contracts, and swap contracts involve risks different from, and, in certain cases, greater than the risks presented by more traditional investments. The following is a general discussion of important risk factors and issues concerning the use of derivatives that investors should understand before investing in the Advisory Clients.

**Market Risk:** This is the general risk attendant to all investments that the value of a particular investment will change in a way detrimental to the Advisory Clients' interests.

**Management Risk:** Derivative products are specialized instruments that require investment techniques and risk analyses different from those associated with stocks and bonds. The use of a derivative requires an understanding not only of the underlying instrument, but also of the derivative itself. In particular, the use and complexity of derivatives require the maintenance of



adequate controls to monitor the transactions entered into and the ability to assess the risk that a derivative adds to the Advisory Clients' portfolio.

**Counterparty Credit Risk:** This is the risk that a loss may be sustained by the Advisory Clients as a result of the failure of the counterparty to comply with the terms of the derivative contract. The credit risk for exchange-traded derivatives is generally less than for over-the-counter derivatives, since the clearing house, which is the issuer or counterparty to each exchange-traded derivative, provides additional protections in the event of non-performance by the counterparty. For operational reasons, the Advisory Clients may allow the prime broker to retain possession of collateral. To the extent the Advisory Clients allow the prime broker or any over-the-counter derivative counterparty to retain possession of any collateral, the Advisory Clients may be treated as an unsecured creditor of such counterparty in the event of the counterparty's insolvency. Therefore, the Firm considers the creditworthiness of each counterparty to an over-the-counter derivative in evaluating potential credit risk.

**Documentation Risk:** Many derivative instruments also have documentation risk. Because the contract for each over-the-counter derivative transaction is individually negotiated with a specific counterparty, there exists the risk that the parties may interpret contractual terms (*e.g.*, the definition of default) differently when the Advisory Clients seek to enforce its contractual rights. If that occurs, the cost and unpredictability of the legal proceedings required for the Advisory Clients to enforce their contractual rights may lead the Advisory Clients to decide not to pursue its claims against the counterparty.

**Liquidity Risk:** Liquidity risk exists when a particular instrument is difficult to purchase or sell. If a derivative transaction is particularly large or if the relevant market is illiquid (as is the case with many over-the-counter derivatives), it may not be possible to initiate a transaction or liquidate a position at an advantageous price. Less liquid derivatives may also fall more in price than other securities during market falls.

**Leverage Risk:** Because many derivatives have a leverage component, adverse changes in the value or level of the underlying asset, rate, or index may result in a loss substantially greater than the amount invested in the derivative itself. In the case of swaps, the risk of loss generally is related to a notional principal amount, even if the parties have not made any initial investment. Certain derivatives have the potential for unlimited loss, regardless of the size of the initial investment.

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#### ***Item 9: Disciplinary Information***

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Tyrian currently has no reportable disciplinary events to disclose.

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#### ***Item 10: Other Financial Industry Activities and Affiliations***

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Tyrian currently provides investment advice to the Advisory Clients listed in Item 4 above. In addition, Tyrian Performance, LLC, an affiliate of Tyrian, serves as the general partner to the Onshore Fund and the Master Fund. Tyrian may organize other investment funds (including parallel funds for employees of Tyrian) or manage separately managed accounts that may either co-invest with one or more Advisory Clients or follow an investment program similar to or different from the Advisory Clients' program. Tyrian may also establish special purpose vehicles or subsidiaries and invest in or act through such special purpose

vehicles or subsidiaries. In addition, Tyrian, its affiliates, and the principals thereof may have investments in other investment funds that may be formed in the future and are managed by Tyrian or an affiliate (or interests in the performance of other Advisory Clients which pose conflicts of interest.

Tyrian and its affiliates intend to allocate investment opportunities in a manner which is believed to be appropriate and in the best interests of all the entities involved. While allocations between each of the Advisory Clients may be made on a pro rata basis in proportion to the relative equity of each, there can be no assurances that an investment opportunity which comes to the attention of Tyrian and its affiliates will not be allocated wholly or primarily to one or more Advisory Clients, with one or more Advisory Clients being unable to participate in such investment opportunity or participating only on a limited basis. If, in the discretion of Tyrian, one or more Advisory Clients should not participate in a particular investment opportunity for tax or regulatory reasons, such investment opportunity will be allocated only to the Advisory Clients not affected by such tax or regulatory reasons. To the extent an investment is not allocated pro rata, an Advisory Client could incur a disproportionate amount of income or loss related to such investment relative to the other Advisory Clients.

One or more Advisory Clients could be disadvantaged because of activities conducted by the General Partner, Tyrian, or their affiliates for the other Advisory Clients as a result of, among other things: (i) legal restrictions on the combined size of positions which may be taken for all accounts managed by Tyrian or its affiliates, thereby limiting the size of one or more Advisory Client's position; and (ii) the difficulty of liquidating an investment for more than one account where the market cannot absorb the sale of the combined positions. In addition, there may be circumstances under which one or more Advisory Clients do not participate in certain investments. Tyrian will evaluate for the Advisory Clients, a variety of factors which may be relevant in determining whether a particular situation or strategy is appropriate and feasible for one or more Advisory Clients at a particular time, which may include the nature of the investment opportunity taken in the context of the other investments at the time, the liquidity of the investment relative to the needs of the particular entity, the investment or regulatory limitations on the particular entity, and the transaction costs involved. Because these considerations may differ for one or more of the Advisory Clients in the context of any particular investment opportunity, investment activities of the Advisory Clients and the other Advisory Clients may differ considerably from time to time.

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

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Employees of Tyrian may only purchase and sell securities in accordance with the Firm's Code of Ethics to which all employees are subject. This policy is monitored by the Firm's Chief Compliance Officer.

Employees are permitted to maintain personal brokerage accounts, subject to the Code of Ethics and personal trading policy.

The Code of Ethics covers many topics, including the following:

- A statement of the standard of business conduct.
- Limits on gifts and entertainment.
- Limits on political contributions
- Pre-clearance by employees of purchases or sales of securities through the Chief Compliance Officer for personal accounts.
- Reporting requirements regarding personal holdings.

A copy of the Firm's Code of Ethics is available to investors and prospective investors upon request.

Tyrian and its personnel, managers and members may invest in the Funds, subject to applicable law and the Code, and to the investor eligibility requirements applicable to the Funds.

Allocation of investment opportunities among the Advisory Clients and any other Advisory Clients will generally be made as described in Item 10.

Each Fund may participate in transactions in which the General Partner, Tyrian, or any of their employees, members, and/or principals or any investor is directly or indirectly interested. In connection with such transactions, a Fund, on the one hand, and the General Partner, Tyrian or their employees, members, and/or principals or investors, on the other hand, may have conflicting interests. The General Partner and Tyrian may also face conflicts of interest in connection with purchase or sale transactions (involving an investment by a Fund) with an affiliate of such Fund (including other Advisory Clients), including with respect to the consideration offered by, and the obligation of, the General Partner or Tyrian and such other affiliate.

Subject to the pre-clearance requirements in the Code of Ethics, Tyrian, the General Partner and their respective employees, members, and/or principals may buy or sell securities or commodity interests for their own account. The records of any such trades by Tyrian, the General Partner, or their respective employees, members, and/or principals will not be open to inspection by the investors. Tyrian's compliance policies and procedures, including personal trading policies are designed to reduce potential conflicts of interest.

Certain investment professionals of Tyrian may serve on the board of directors of private and public corporations. In certain circumstances, such services may restrict Tyrian's ability to make investment that otherwise would be in one or more Advisory Clients' interests.

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#### ***Item 12: Brokerage Practices***

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Tyrian is solely responsible for choosing the broker or brokers used for each securities transaction on behalf of the Advisory Clients. Tyrian's primary consideration in placing transactions with particular brokers is to obtain best execution. Tyrian may also consider a variety of other factors, which may include the financial stability and reputation of the particular broker/dealer, the ability to achieve prompt and reliable executions at favorable prices, the operational efficiency with which transactions are effected, the broker/dealer's expertise in the specific security or sector in which an Advisory Client seeks to trade; the broker/dealer's skill in positioning the securities involved; the broker/dealer's ability to accommodate any special execution or order handling requirements that may surround the particular transaction and the brokerage and research services provided by such broker/dealer, among other factors. It is noted that since commission rates are generally negotiable, selecting brokers on the basis of considerations which are not limited to applicable commission rates may at times result in higher transaction costs than would otherwise be obtainable.

Tyrian may also consider the quality, comprehensiveness and frequency of available research and other products and services considered to be of value. Brokerage and research services may either be obtained from brokerage firms or obtained from third parties and paid for by Tyrian and subsequently charged to an Advisory Client and the other Advisory Clients pro rata based on their relative capital balances. Brokerage and research services may include, but are not limited to: (i) written (including electronic) information and analyses concerning specific securities, companies, or sectors; news, quotation, statistics, and pricing services, as well as discussions with research personnel and consultants; and (ii) hardware, software, databases, and other technical and telecommunications services and equipment utilized in the investment management process and consulting fees.

Tyrian is authorized to pay higher prices for the purchase of securities from or accept lower prices for the sale of securities to brokerage firms that provide it with such brokerage and research products and services or to pay higher commissions to such firms if Tyrian determines such prices or commissions are reasonable in relation to the overall services and products provided. Accordingly, an Advisory Client may be deemed to be paying for brokerage and research products and services with “soft” or commission dollars. These products and services would otherwise only be available to Tyrian for a cash payment. To the extent that Tyrian uses brokerage commissions (or markups or markdowns) to obtain research or other products or services that would otherwise be an expense of Tyrian, such use of commissions could be viewed as additional compensation to Tyrian, and Tyrian receives a benefit because it does not have to produce or pay for such research or other products or services. This may create a potential conflict of interest between Tyrian’s fiduciary duty to operate the Advisory Clients in the best interest of the Advisory Clients and Tyrian’s desire to receive or direct these “soft-dollar” benefits. Although Tyrian believes that such Advisory Client benefits from many of the products and services obtained with soft dollars generated by such Advisory Client’s trades, such Advisory Client may not benefit exclusively or at all. Such products and services used by such Advisory Client may also be utilized by Tyrian or its affiliates in connection with its investment services for other accounts.

In formulating and implementing its policies with regard to the use of commissions or “soft dollars” for non-Advisory Client expenses, it is Tyrian’s intent to stay within the parameters of Section 28(e) of the Securities Exchange Act of 1934, as amended. Where a product or service obtained with soft dollars provides both research and non-research assistance to Tyrian, Tyrian will make a reasonable allocation of the cost that may be paid for with soft dollars. In the event Tyrian has custody of all or a portion of an Advisory Client’s assets, it intends to comply with U.S. federal and state custody rules applicable to Tyrian.

The availability of these products and services may influence and provide Tyrian with an incentive to select or recommend one broker rather than another to perform services for one or more Advisory Clients. Nevertheless, Tyrian will attempt to assure either that the fees and costs for products and services provided to such Advisory Clients by brokers offering these benefits are reasonable in relation to the overall services provided.

Tyrian generally expects to use soft dollar benefits to provide services to the Advisory Clients. Tyrian will seek to generally allocate such benefits among the Advisory Clients on a pro rata basis. During Tyrian’s last fiscal year, Tyrian used soft dollars generated by the Advisory Clients to pay for a number of research products and services generally related to broad global market and issuer information, macroeconomic trends, and industry research, including printed and online materials that are generally available for purchase or subscription. Such research products and services consisted of access to databases of news and research and similar hosted services, as well as research and analysis, market data, securities filings, and other financial information. Certain providers of such services also make certain proprietary research tools available to their subscribers, including Tyrian, to further facilitate research and analysis.

A Fund may enter into “rebalancing” transactions with other Advisory Clients that have the same investment objectives as such Fund when contributions or withdrawals of capital to or from either such Fund or other Advisory Clients change the ratio of Fund assets to the assets of other Advisory Clients. The purpose of any such rebalancing transactions would be to bring each Advisory Client’s exposure to a commonly held investment into line with each Advisory Client’s percentage of total equity under management. All “rebalancing” transactions: (i) will be effected for cash consideration at the current fair value of the particular securities; (ii) will not involve restricted securities or securities for which market quotations are not readily available; and (iii) if executed through a broker, generally will not involve any brokerage commission fee (except for customary transfer fees and brokerage fees for transactions involving U.S. options or certain non-U.S. equities or where some or all of a position is in a swap) or other remuneration.

Purchase and sale orders for more than one Advisory Client generally will be aggregate for Advisory Clients with each entity paying its pro rata share of the total commission and paying or receiving its pro rata share

of the total cost or sales proceeds. From the standpoint of each Advisory Client, simultaneous identical portfolio transactions for such Advisory Client and the other Advisory Clients may decrease the prices received, and increase the prices required to be paid, by such Advisory Client for its portfolio sales and purchases.

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***Item 13: Review of Accounts***

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The Portfolio Manager reviews the portfolios of the Advisory Clients on a daily basis. The portfolios of the Advisory Clients will also be reviewed by the Chief Compliance Officer daily. All of the Funds' trades are also sent to the Funds' administrator daily for entry into the administrator's accounting systems and to be reconciled with the Funds' prime brokerage account statements.

Additionally, the Firm will form an Investment Committee to evaluate its investment program and each portfolio in accordance with set guidelines. The Investment Committee will meet formally on quarterly basis and the minutes of each Investment Committee meeting will be kept.

At the end of each year or as soon as reasonably practicable thereafter, Tyrian or the General Partner distributes tax information and an audited financial report with respect to the previous fiscal year to all investors in the Funds. The Funds or their administrator sends unaudited capital statements to investors in the Funds no less frequently than quarterly identifying opening and closing balances for the period, net income, and capital contributions and withdrawals. Investors also receive periodic management letters which may describe recent performance of the Fund and updates on the Firm.

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***Item 14: Client Referrals and Other Compensation***

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Tyrian does not receive economic benefit from anyone but the investors in the Advisory Clients for providing investment advice or other advisory services to the Advisory Clients.

Tyrian, the General Partner and the Funds and/or their respective affiliates may enter into agreements with one or more third parties or affiliated entities providing for payments to such parties or entities of a fully disclosed sales charge, which may be borne by the investor and paid from the subscription of certain investors that agree thereto.

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***Item 15: Custody***

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The Master Fund's prime brokers will generally maintain custody of the Master Fund's securities and cash, although in certain instances other brokers that execute transactions for a Master Fund will maintain custody of such Master Fund's assets contract with third-party custodians and a prime broker to serve as custodian for the securities owned by the Funds, which generally are all publicly-traded. The Funds do not use a qualified custodian to send quarterly account statements directly to the investors in the Funds. Instead, each of the Onshore Fund and the Offshore Fund will provide to its investors annual audited financial statements within 120 days' of the end of each year.

Tyrian or the applicable owner of a Managed Account has retained a qualified custodian to maintain custody of the assets of the Managed Account. Tyrian has also appointed an independent certified public accounting

firm that is both registered with, and subject to regular inspection by, the Public Companies Accounting Oversight Board that distributes audited financial statements to investors of the Funds within 120 days of the fiscal year-end.

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***Item 16: Investment Discretion***

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Tyrian has full discretion to manage the Advisory Clients. This authority is granted pursuant to an Investment Management Agreement (“IMA”) between Tyrian and the relevant Fund. There are no specific limitations placed on this authority, provided that Tyrian will exercise its discretionary authority in accordance with the investment objectives and strategy and applicable limitations, if any, set forth in the applicable offering documents of each Fund.

Tyrian has full discretionary authority of the Managed Accounts, which is granted pursuant to its IMA between Tyrian and each Managed Account client, subject to certain exposure and margin limitations set forth in such IMA.

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***Item 17: Voting Client Securities***

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As a matter of policy and as a fiduciary to its Advisory Clients, Tyrian is responsible for voting proxies for portfolio securities consistent with the best economic interests of its clients. Tyrian understands and appreciates the importance of proxy voting. The Firm will vote all proxies in the best interests of its Advisory Clients and in accordance with the procedures outlined below (as applicable), unless otherwise mandated by an investment management agreement or applicable law (e.g. ERISA).

- Prior to voting any proxies, the Chief Compliance Officer will determine if there are any conflicts of interest related to the proxy in question. If a conflict is identified, the Chief Compliance Officer will then make a determination (which may be in consultation with outside legal counsel) as to whether the conflict is material or not and will review the relevant matters in advance to seek to ensure that Tyrian’s proposed votes are in the best interest of the applicable Advisory Client, and are not prompted by any conflict of interest.
- If no material conflict is identified pursuant to these procedures, the principals of Tyrian responsible for covering the subject security will make a decision regarding how to vote the proxy in question in accordance with the guidelines put forth below.

**Voting Guidelines:** In the absence of specific voting guidelines mandated by a particular Advisory Client, Tyrian will endeavor to vote proxies in the best interests of each Advisory Client.

Advisory Clients and any investors thereof that wish to obtain a record of the Firm’s proxy voting policy or proxy voting history may contact the Chief Compliance Officer.

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***Item 18: Financial Information***

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Tyrian believes that it has no financial condition that is reasonably likely to impair its ability to meet contractual commitments to its clients, and Tyrian has not been the subject of any bankruptcy proceeding.

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***Item 19: Requirements for State Registered Advisers***

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Not Applicable.