

ITEM 1
COVER PAGE

PART 2A OF FORM ADV: FIRM BROCHURE

MUDRICK CAPITAL MANAGEMENT, L.P.

March 31, 2014

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This brochure provides information about the qualifications and business practices of Mudrick Capital Management, L.P. (the “Adviser”). If you have any questions about the contents of this brochure, please contact us at 646-747-9500 or compliance@mudrickcapital.com. 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.

The Adviser is registered as an investment adviser with the SEC. Registration with the SEC or with any state securities authority does not imply any level of skill or training.

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

ITEM 2

MATERIAL CHANGES

The rules promulgated under the Investment Advisers Act of 1940, as amended (the “Advisers Act”) require the Adviser to identify and discuss any material changes made to its brochure since the last annual update. This brochure was last updated on February 1, 2013. The only material change to report is to Assets Under Management in Item 4(D). If the Adviser makes any further material changes to this brochure in the future, this section will be revised to include a summary of those changes.

ITEM 3 TABLE OF CONTENTS

ITEM 1 COVER PAGE.....	i
ITEM 2 MATERIAL CHANGES	ii
ITEM 3 TABLE OF CONTENTS	iii
ITEM 4 ADVISORY BUSINESS	1
A. General Description of Advisory Firm.....	1
B. Description of Advisory Services.	1
1. Advisory Services.....	1
2. Investment Strategies and Types of Investments.	2
C. Availability of Customized Services for Individual Clients.	6
D. Assets Under Management.....	6
ITEM 5 FEES AND COMPENSATION	7
A. Advisory Fees and Compensation.....	7
1. Partnership	7
2. Offshore Fund.....	7
3. Managed Accounts	8
B. Payment of Fees.	8
C. Additional Fees and Expenses.....	8
D. Additional Compensation and Conflicts of Interest.	8
ITEM 6 PERFORMANCE-BASED FEES AND SIDE-BY-SIDE MANAGEMENT.....	10
ITEM 7 TYPES OF CLIENTS	11
ITEM 8 METHODS OF ANALYSIS, INVESTMENT STRATEGIES AND RISK OF LOSS .	12
A. Methods of Analysis and Investment Strategies.	12
B. Material, Significant or Unusual Risks Relating to Investment Strategies.	12
ITEM 9 DISCIPLINARY INFORMATION	22
ITEM 10 OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS.....	23
A. Broker-Dealer Registration Status.	23
B. Futures Commission Merchant, Commodity Pool Operator or Commodity Trading Adviser Registration Status.....	23
C. Material Relationships or Arrangements with Industry Participants.	23
D. Material Conflicts of Interest Relating to Other Investment Advisers.....	23
ITEM 11 CODE OF ETHICS, PARTICIPATION OR INTEREST IN CLIENT TRANSACTIONS AND PERSONAL TRADING.....	24
A. Code of Ethics.	24
B. Securities in which the Adviser or a Related Person Has a Material Financial Interest.....	24
1. Cross Trades	24
2. Principal Transactions	25
C. Investing in Securities that the Adviser or a Related Person Recommends to Clients. .	25
D. Conflicts of Interest Created by Contemporaneous Trading.....	25
1. Allocations of Trades and Investment Opportunities	25
2. Order Aggregation and Average Pricing	25
ITEM 12 BROKERAGE PRACTICES.....	27

A. Factors Considered in Selecting or Recommending Broker-Dealers for Client Transactions.	27
1. Research and Other Soft Dollar Benefits.	27
2. Brokerage for Client Referrals.	28
3. Directed Brokerage.	28
B. Order Aggregation.	29
ITEM 13 REVIEW OF ACCOUNTS.	30
A. Frequency and Nature of Review of Client Accounts or Financial Plans.	30
B. Factors Prompting Review of Client Accounts on Other than a Periodic Basis.	30
C. Content and Frequency of Account Reports to Clients.	30
ITEM 14 CLIENT REFERRALS AND OTHER COMPENSATION.	31
A. Economic Benefits for Providing Services to Clients.	31
B. Compensation to Non-Supervised Persons for Client Referrals.	31
ITEM 15 CUSTODY.	32
ITEM 16 INVESTMENT DISCRETION.	33
ITEM 17 VOTING CLIENT SECURITIES.	34
ITEM 18 FINANCIAL INFORMATION.	35
ITEM 19 REQUIREMENTS FOR STATE-REGISTERED ADVISERS.	36

ITEM 4

ADVISORY BUSINESS

A. General Description of Advisory Firm.

The Adviser, Mudrick Capital Management, L.P., a Delaware limited partnership, commenced operations in 2009 and has its office in New York, New York. Jason Mudrick (the “Principal Owner”), as a limited partner of the Adviser and as the managing member of the general partner of the Adviser, Mudrick Capital Management, LLC, a Delaware limited liability company, is the principal owner of the Adviser and controls the Adviser. The general partner of the Adviser has ultimate responsibility for the management, operations and the investment decisions made by the Adviser.

B. Description of Advisory Services.

1. Advisory Services.

The Adviser serves as the management company for a number of investment funds including, without limitation, Mudrick Distressed Opportunity Fund, L.P. (the “Partnership”), an investment partnership organized under the laws of Delaware. Mudrick GP, LLC, a Delaware limited liability company affiliated with the Adviser and controlled by Mr. Mudrick, serves as the general partner (the “GP”) of the Partnership. The interests in the Partnership are offered on a private placement basis, in compliance with the exemption provided by Section 3(c)(1) or 3(c)(7) of the Investment Company Act of 1940, as amended (the “Company Act”) to persons who are “accredited investors” as defined under the Securities Act of 1933 and “qualified purchasers” (or “knowledgeable employees”) as defined under the Company Act, and subject to other conditions, that are set forth in the offering documents for the Partnership.

The Adviser is also the investment adviser to Mudrick Distressed Opportunity Fund Offshore, Ltd., an investment fund organized under the laws of the Cayman Islands (the “Offshore Feeder” and together with the Partnership, the “Feeder Funds”). The Feeder Funds generally invest all of their capital in Mudrick Distressed Opportunity Fund Global, L.P., an exempted limited partnership organized under the laws of the Cayman Islands (the “Master Fund” and together with the Feeder Funds, each, a “Fund” and collectively, the “Funds”), which implements the investment objectives, policies and strategies of the Feeder Funds. Shares in the Offshore Feeder are offered on a private placement basis to investors who are not “U.S. Persons,” as defined under Regulation S of the Securities Act of 1933, and U.S. tax-exempt entities (or entities substantially comprised of U.S. tax-exempt entities) that are “accredited investors” as defined under the Securities Act of 1933 and “qualified purchasers”, and subject to other conditions, which are set forth in the offering documents for the Offshore Feeder.

The Adviser also serves as the investment adviser for separately managed accounts and may, from time to time, serve as the investment adviser or management company for additional funds or products (the “Other Products”).

As used herein, the term “clients” generally refers to the Funds and/or the Adviser’s separately managed account clients, as applicable.

This brochure generally includes information about the Adviser and its relationships with its clients and affiliates. While much of this brochure applies to all of those clients and affiliates, there is information included herein that only applies to specific clients or affiliates.

2. Investment Strategies and Types of Investments.

The descriptions set forth in this brochure of specific advisory services that the Adviser offers to clients, and investment strategies pursued and investments made by the Adviser on behalf of its clients, should not be understood to limit in any way the Adviser's investment activities. The Adviser may offer any advisory services, engage in any investment strategy and make any investment, including any not described in this brochure, that the Adviser considers appropriate, subject to each client's investment objectives and guidelines. The investment strategies the Adviser pursues are speculative and entail substantial risks. Investors should be prepared to bear a substantial loss of capital. There can be no assurance that the investment objectives of any client will be achieved.

The investment objectives and strategy of the Funds are set forth in a confidential private offering memorandum and are summarized below. The Adviser also provides investment advisory services to separately managed accounts. The investment objectives and strategy of the separate accounts are generally consistent with the following.

Investment Objective

The Funds will seek to maximize total return through investment in a portfolio of distressed debt and equities, focused predominantly on event driven value investments such as debt that trades at a discount to par because the market is discounting the ability of the issuer to repay the loan in whole, distressed and turnaround equities, post-reorganized equities, spin-offs and other event driven investments such as broken merger or acquisition deals and activist situations, among others.

Investment Strategy Overview

Event driven value investing is a specialized version of value investing. Like pure value investing, the Funds will invest in securities that the Adviser believes are trading at a significant discount to their intrinsic values, thus providing a large margin of safety. The slight variation is that rather than employing the buy and hold strategy characteristic of pure value investing, the Adviser will look for an event, such as the balance sheet restructuring process, the spinning off of assets or the modification of a corporate strategy, that can allow the Funds to capture the undervaluation spread. Regardless of the nature of the event, the Adviser believes that the debt and equity securities of these companies will be selling at steep discounts to their inherent value.

Types of Securities

The Funds will primarily invest long or short in publicly traded equity and debt securities, but may from time to time invest in private obligations. The equity securities may consist of common or preferred equity. The debt securities in which the Funds may invest may include all types of debt obligations, such as corporate bonds, debentures, notes, municipal bonds, equipment lease certificates, equipment trust certificates and, to the extent permitted by

applicable laws and regulations, securities issued by troubled foreign issuers, including foreign governments. The private obligations may consist of bank debt, trade claims of bankrupt companies and other privately traded securities.

As a consequence of their purchase of private claims from banks and other financial institutions, the Funds may be required to perform certain limited lending functions, such as funding issued but undrawn letters of credit in the course of the restructuring of a troubled company or providing debtor-in-possession financing to the troubled company in the event that it seeks relief under Chapter 11 of the Bankruptcy Code. Upon the completion of a restructuring, the Funds' distribution may be in the form of obligations arising under an amended credit facility made available to the troubled company. The Funds' performance of these traditional lending functions may often be essential to its ability to consummate purchases of private claims. The Funds' decision to undertake such lending functions is determined by the overall projected return for the private claim investment.

The Funds will be authorized to fund, participate in the funding of, or otherwise sponsor the plan of reorganization of a debtor-in-possession or an out-of-bankruptcy restructuring. This activity involves formulating or participating in the formulation of a plan of reorganization and the funding of such plan in return for the acquisition of assets of the debtor and/or a debt and/or equity interest in the reorganized entity. There are several factors that might create opportunities to invest in this manner at very attractive prices. First, companies exiting bankruptcy often have difficulty raising new capital, particularly new equity. Permanent capital may be a necessary component of the company's plan of reorganization or management or creditors may prefer a plan that provides for new equity capital. Second, creditors will generally undervalue the securities to be received through a plan of reorganization. Third, creditors are willing to accept a lower payout if that payout is in cash rather than securities of the reorganized company.

Trade Claims of Companies in Bankruptcy. Trade claims are unpaid accounts receivables held by a creditor of a company in a Chapter 11 or a Chapter 7 Bankruptcy proceeding. Trade claims are general unsecured debt obligations. The United States bankruptcy laws allow a company to avoid payment on its pre-petition accounts receivable during the pendency of a bankruptcy case. Therefore, a trade creditor must generally wait until a Chapter 11 plan of reorganization or a Chapter 7 plan of liquidation is confirmed by the bankruptcy court before it can receive any distributions from the company on account of a trade creditor's pre petition accounts receivable. Although Wall Street dealers are active in trading larger trade claims in major cases, there is less liquidity in the broader trade claims market. The Adviser believes that significant opportunities exist in the trade-claims market because many overlooked bankruptcies contain trade claims, and because holders of trade claims ordinarily are not sophisticated in valuing distressed debt. Purchasing trade claims of bankrupt companies may be a means of obtaining the post-reorganized equity at a significant discount to its inherent value.

Short Sales and Derivative Securities. The Funds, in the discretion of the Adviser, may engage in short sales and in options transactions with respect to securities and other obligations of troubled companies. The Funds may purchase and write covered and uncovered put and call options on individual securities or on securities indices both as independent investment opportunities and as hedging devices as deemed appropriate by the Adviser. The Funds may also purchase or sell warrants or other derivative instruments. Short positions may also be taken in

securities that the Adviser believes are relatively overvalued or are about to decline in price due to impending financial distress. Short positions generally are intended to serve as a degree of protection against a declining market but may also be independently viewed by the Adviser as profit opportunities for the Funds.

Futures. The Funds, in the discretion of the Adviser, may purchase, hold, sell or otherwise deal in commodities, commodity contracts, commodity futures, financial futures or options thereon.

Investment Strategy

The Funds' investments will focus primarily on the following strategies: (1) purchasing the distressed debts of companies that are trading significantly below their intrinsic values, either for attractive yields or to own the equity of these businesses through a debt for equity swap, depending on the situation; (2) purchasing the equities of distressed companies and turnaround situations that the Adviser believes are trading at significant discounts to their intrinsic value; (3) purchasing the post-reorganized equity of companies that have emerged from a bankruptcy proceeding; and (4) purchasing securities that present unique investment opportunities such as spin-offs, broken merger or acquisition deals, activist situations and other special situation opportunities that the Adviser deems appropriate.

Methodology

Identification. The investment process begins with a screening for companies that are undergoing certain events. Spin-offs, split-offs and broken merger or acquisition deals, for example, usually carry substantial media coverage. In the case of distressed situations, financial trouble for most companies is a gradual process, with substantial media coverage and trade discussion. Newspapers and industry publications give broad coverage to actual and suspected deteriorating financial conditions. Additionally, the Adviser believes that clues to possible investment opportunities can be detected by monitoring the price of debt and equity securities in the public and private markets. Monitoring debt that trades below par and equities that are reaching 52-week lows are examples.

Due Diligence. Once potential investments are identified, the Adviser will engage in rigorous industry research and company-specific due diligence in order to have a fully informed view of the financial condition of a company prior to making an investment decision.

Valuation. The heart of the Adviser's investment analysis is the accurate valuation of companies. The Adviser starts by understanding the nature of the company's business, what drives cash flows, how volatile those cash flows can be under various scenarios and how sustainable those cash flows are. The Adviser tries to understand the value of the underlying collateral, the company's long-term ability to generate cash flow, the company's place in its industry and the future of the industry itself. All liabilities of a company are marked to market in order to determine the current market value of the company.

Choice of Security and Exit. After coming to a view on the attractiveness of the valuation of a firm and timing of events, the Adviser will determine what investment presents the best risk-reward within the capital structure given its investment objectives. Finally, the Adviser will

attempt to thoroughly explore and identify potential exit strategies and react promptly when predicted events occur.

Portfolio Risk Management

In seeking to preserve capital, the Adviser intends to follow a strict investment methodology and adhere to several well-defined investment disciplines:

Asset Protection and Cash Flow Multiples. The Funds intend to make investments when the Adviser believes the price paid for the security is backed by substantial asset values or the cash generating ability of the assets will support reorganization values or liquidation proceeds above the purchase price. The Adviser believes that this reduces the investment's downside risk.

Diversification. The Funds intend to invest no more than 20% of their net assets in any one obligor (measured at the time of investment) and no more than 50% of its assets in any one industry. The Funds will generally limit their investment in foreign securities and obligations to no more than 49% of their net assets, with a sub-limit on emerging market investments of 20% of their net assets (measured at the time of investment). The Adviser will seek to have between 20 and 30 positions in the Funds' portfolio at any given time.

Borrowing. The Funds may employ leverage, including margin borrowing, to seek to enhance investment returns. To the extent the Funds borrow, the Funds will use leverage of up to 33% of the Fund's net assets. The Adviser believes that in certain situations the use of borrowing can significantly enhance returns with a minimal increase in risk.

Side Pockets

Some investments made by the Adviser may be highly illiquid. In order to manage this illiquidity, the Funds may separately account or "side-pocket" all or a portion of such investments (such investments, "Side Pocket Investments"). In "side-pocketing" an investment, no gain or loss on the investment is ordinarily allocated until the investment has been sold or has otherwise become readily marketable. In addition, only investors who are investors at the time the investment is made and who have previously agreed in writing participate in the gains or losses associated with the investment, and if a participating investor withdraws from the Funds prior to the time that a side-pocketed investment has become liquid, the investor's interest in the applicable securities will be withheld from distribution until the securities have been valued or sold. The Adviser will generally endeavor to limit the percentage of the Funds' assets that may be side-pocketed to not more than 10-20% of such assets, as determined by the Adviser at the time an investment is designated or allocated to a side pocket.

Other Investment Vehicles

The Adviser may use special purpose entities (such as corporations, limited Funds, limited liability companies and business trusts or combinations thereof) to hold investments when appropriate to insulate the general assets of the Funds or its affiliates against liabilities arising from particular investments, to minimize the liability or tax filing requirements or for other reasons, in each case as determined by the Adviser.

The descriptions contained herein of specific investment strategies that are or may be engaged in by the Funds should not be understood as in any way limiting the Funds' investment activities. The Funds may engage in investment strategies not described herein that the Adviser considers appropriate.

C. Availability of Customized Services for Individual Clients.

The Feeder Funds generally invest all of their assets through the Master Fund, and the Adviser intends for the Feeder Funds to generally hold, to the extent practicable, similar securities and financial instruments relative to each Feeder Fund's respective net asset value, although, due to tax, regulatory and other considerations, the Feeder Funds' investments may differ. The Adviser does not tailor its advisory services to the individual needs of its clients, and clients may not impose restrictions on investing in certain securities or types of securities.

D. Assets Under Management.

The Adviser managed approximately \$553,500,000 as of February 1, 2014 on a discretionary basis. As of February 1, 2014 the Adviser does not manage any assets on a non-discretionary basis.

ITEM 5

FEES AND COMPENSATION

A. Advisory Fees and Compensation.

The fees applicable to each Feeder Fund are set forth in detail in each Feeder Fund's offering documents. A brief summary of these fees is provided below. Other than the ability to waive fees as described below, fees for each of the Feeder Funds are generally not negotiable.

1. Partnership

Management Fee

The Adviser generally is paid monthly a management fee equal to between 0.125% (1.5% on an annual basis) and 0.167% (2.0% on an annual basis) of the net asset value of the capital accounts relating to each limited partner, payable in advance at the beginning of each month. Differences in management fees generally relate to differing liquidity terms of the investments. The Adviser may waive the management fee with respect to the capital accounts of members, partners, officers, managers, employees or affiliates of the GP or the Adviser or other limited partners in the Adviser's sole discretion.

Incentive Allocation

The GP is generally entitled to a performance allocation equal to between 15% and 20% of the annual increase, if any, in the net asset value of each limited partner's capital account in the Partnership. Differences in performance allocations generally relate to differing liquidity terms of the investments. The performance allocation is calculated based on both realized gains and losses and unrealized appreciation and depreciation of securities held in the Partnership's portfolio. Generally, any decrease in the net asset value in a fiscal year allocated to any limited partner's capital account is carried forward in a "loss recovery account" so that a reduced performance allocation is charged to that capital account until a multiple of the losses have been recouped, subject to various adjustments. The GP may waive the performance allocation with respect to the capital accounts of members, partners, officers, managers, employees or affiliates of the GP or the Adviser or other limited partners in the GP's sole discretion.

2. Offshore Fund

Management Fee

The Adviser generally is paid monthly a management fee equal to between 0.125% (1.5% on an annual basis) and 0.167% (2.0% on an annual basis) of the net asset value of each series of shares of the Offshore Feeder, payable monthly in advance at the beginning of each month. Differences in management fees generally relate to differing liquidity terms of the investments.

Incentive Fee

The Adviser generally receives a performance allocation from the Offshore Feeder equal to between 15% and 20% of the increase, if any, in the net asset value of each series of each class of shares, during each fiscal year, above the net asset value thereof for the fiscal year with respect to which a performance allocation was most recently payable (the “Prior High NAV”). Differences in performance allocations generally relate to differing liquidity terms of the investments. The performance allocation is calculated based on both realized gains and losses and unrealized appreciation and depreciation of securities held in the Offshore Feeder’s portfolio.

The Offshore Feeder’s Board of Directors may issue shares subject to a lower or no management fee or performance allocation for members, partners, officers, managers, employees or affiliates of the Adviser or other investors in the Board of Directors’ sole discretion.

3. Managed Accounts

The Adviser serves as the investment adviser or management company for separately managed accounts and receives fees for the investment management services which it provides. The Adviser generally receives a management fee which may be payable on the first day of each calendar month or which may be accrued on the last day of each month and payable quarterly in arrears. The adviser generally receives an annual performance fee subject to a high water mark (i) at the end of each twelve-month anniversary of the anniversary of the initial contribution date or (ii) on a date triggered by a withdrawal, distribution or termination of the investment advisory agreement.

B. Payment of Fees.

Fees and compensation paid to the Adviser or its affiliates by a client are generally deducted from the assets of such client’s account. As discussed above, management fees are generally deducted on a monthly basis and performance compensation is generally deducted on an annual basis. If a client withdraws all of the assets from its account on a termination of the advisory contract on any date other than the last day of a calendar month, the management fee paid for that month with respect to the portion withdrawn will be prorated based on the number of days in such month that have elapsed and the modified net asset value attributable to the assets withdrawn (determined as of the date of withdrawal). The pro rata portion of the management fee paid with respect to such assets from the date of withdrawal to the last day of that calendar month will be refunded by the Adviser to the client if the contract is thereby terminated.

C. Additional Fees and Expenses.

Each client bears its own expenses, including, without limitation, accounting, auditing, entity-level taxes and tax preparation expenses, legal fees and expenses (including indemnification expenses and expenses relating to regulatory or similar investigations, inquiries and “sweeps”), professional fees and expenses (including fees and expenses of investment bankers, appraisers and other consultants and experts), investment-related expenses (including research and expenses (including travel and lodging expenses) associated with activist campaigns such as proxy contests, solicitations and tender offers and compensation, indemnification and expenses of any nominees proposed by the GP or the Adviser as directors or

executives of portfolio companies), printing and postage expenses, brokerage fees and commissions, expenses relating to short sales (including dividend and stock borrowing expenses), clearing and settlement charges, custodial fees, bank service fees, margin and other interest expense and transaction fees, blue sky and corporate filing fees and expenses, insurance expenses, initial offering and organizational expenses, the management fee, performance allocation, on-going offering expenses and payments for custody of each client's assets and for the performance of administrative services, and other client expenses.

Please see Item 12 below for further discussion of the factors that the Adviser considers in selecting or recommending broker-dealers for client transactions and determining the reasonableness of their compensation (*e.g.*, commissions).

D. Additional Compensation and Conflicts of Interest.

Neither the Adviser nor any of its supervised persons accepts compensation (*e.g.*, brokerage commissions) for the sale of securities or other investment products.

ITEM 6
PERFORMANCE-BASED FEES AND SIDE-BY-SIDE MANAGEMENT

The Adviser and its affiliates accept performance-based fees from every client. As a result, the Adviser and its affiliates do not face the conflicts of interest that may arise when an investment adviser accepts performance-based fees from some clients, but not from other clients.

ITEM 7

TYPES OF CLIENTS

As noted above, the Adviser provides advice to the Funds, which are private investment funds, and to separately managed account clients. Investors in the Feeder Funds may include high net worth individuals, pension funds and profit sharing plans, trusts, estates, charitable organizations, corporations, business entities, endowments and foreign sovereign wealth funds. Separately managed account clients may include endowments or other pooled investment vehicles (other than investment companies).

The minimum initial investment in the Funds by an investor is generally \$1 million, subject in each case to the discretion of the GP to accept lesser amounts. Each prospective investor is required to certify that the interests subscribed for are being acquired, directly or indirectly, for the account of a person or entity that is an “accredited investor”, as defined in Regulation D under the Securities Act, and a “qualified purchaser”, as defined under Rule 2(a)(51)(A) of the Company Act.

ITEM 8

METHODS OF ANALYSIS, INVESTMENT STRATEGIES AND RISK OF LOSS

A. Methods of Analysis and Investment Strategies.

Please see Item 4 of this brochure for a description of the methods of analysis and investment strategies that the Adviser uses in formulating investment advice and managing assets. The descriptions set forth in this brochure of specific advisory services that the Adviser offers to clients, and investment strategies pursued and investments made by the Adviser on behalf of its clients, should not be understood to limit in any way the Adviser's investment activities. The Adviser may offer any advisory services, engage in any investment strategy and make any investment, including any not described in this brochure, that the Adviser considers appropriate, subject to each client's investment objectives and guidelines. The investment strategies the Adviser pursues are speculative and entail substantial risks. Clients should be prepared to bear a substantial loss of capital. There can be no assurance that the investment objectives of any client will be achieved.

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

The following risk factors do not purport to be a complete list or explanation of the risks involved in an investment in the clients advised by the Adviser. These risk factors include only those risks the Adviser believes to be material, significant or unusual and relate to particular significant investment strategies or methods of analysis employed by the Adviser. Please refer to the Funds' offering documents for a more complete description of the risk factors.

CFTC/NFA Registration. Pursuant to an exemption from registration under regulations of the Commodity Futures Trading Commission ("CFTC"), the Adviser is not required to register, and is not registered, with the CFTC or the National Futures Association ("NFA") as a commodity pool operator (a "CPO") or as a commodity trading advisor ("CTA"). To comply with the exemption, the Adviser is subject to specific limitations on its trading of futures (including financial futures, such as interest rate, currency, index and security futures), commodity options and swaps (excluding security-based swaps, but including interest rate, currency and other financial swaps and swaps on broad-based securities indices) (collectively, "Commodity Interests") that it can trade on behalf of the Funds. Should the Funds' investments in Commodity Interests exceed the limits provided by the applicable exemption from registration, the Adviser would likely be required to register as a CPO or CTA and, if registration or reliance on an alternative exemption were impracticable, cease providing Commodity Interest trading advice to the Funds and liquidate the Funds' holdings of Commodity Interests, which could result in losses and additional costs to the Funds. In the event that the Adviser determines to register with the CFTC as a CPO or CTA or to operate the Funds pursuant to an exemption in connection with pools whose participants are limited to qualified eligible persons, the private offering memorandum of each Fund will not be required to be, and will not be, filed with the CFTC. Consequently, the CFTC will not review or approve any offerings by the Funds or any relevant private offering memorandum.

Limited Operating Histories. The Funds, the GP and the Adviser have limited operating histories upon which prospective investors can evaluate their performance. The Funds' investment program should be evaluated on the basis that there can be no assurance that the GP's assessment of the short-term or long-term prospects of investments will prove accurate or that the Funds will achieve their investment objective.

Dependence on Key Individuals. The investors in the Funds will have no authority to make decisions or to exercise discretion on behalf of the Funds. The authority for all such decisions will be delegated to the GP and its designees, including the Adviser. The success of the Funds will be significantly dependent upon the expertise of the investment management team. There can be no assurance that this team will be successful in implementing the Funds' investment objectives.

Systems Risks. The Funds depend on the GP and the Adviser to develop and implement appropriate systems for the Funds' activities. In particular, the Adviser will rely extensively on computer programs and systems to trade, clear and settle securities transactions, to evaluate certain securities based on real-time trading information, to monitor their portfolios and net capital, and to generate risk management and other reports that are critical to the oversight of the Funds' activities. In addition, certain of the Adviser's operations interface with or depend on systems operated by third parties, including brokers and market counterparties and their sub-custodians and other service providers, and the Adviser may not be in a position to verify the risks or reliability of such third-party systems. These programs or systems may be subject to certain defects, failures or interruptions, including, but not limited to, those caused by computer "worms," viruses and power failures. Any such defect or failure could have a material adverse effect on the Funds. For example, such failures could cause settlement of trades to fail, lead to inaccurate accounting, recording or processing of trades, and cause inaccurate reports, which may affect the Funds' ability to monitor their investment portfolio and its risks. Studies have shown that the lack of adequate systems is often a significant contributing factor to failures of funds like the Feeder Funds and the Master Fund.

Operational Risk. The Funds depend on the GP and the Adviser to develop the appropriate systems and procedures to control operational risks. Operational risks arising from mistakes made in the confirmation or settlement of transactions, from transactions not being properly booked, evaluated or accounted for or other similar disruption in the GP's or Adviser's operations may cause the Funds to suffer financial loss, the disruption of their businesses, liability to clients or third parties, and regulatory intervention or reputational damage.

Master-Feeder Fund Structure. The Feeder Funds will invest all of their assets through a master-feeder structure in the Master Fund. The master-feeder structure (in particular, the existence of multiple investment vehicles investing in the same portfolio) presents certain unique risks to investors. Smaller investment vehicles investing in the Master Fund may be materially affected by the actions of larger investment vehicles investing in the Master Fund. For example, if a larger investment vehicle withdraws from the Master Fund, the remaining funds may experience higher *pro rata* operating expenses, thereby producing lower returns. Similarly, the Master Fund may become less diversified due to a withdrawal by a larger investment vehicle, resulting in increased portfolio risk. The different tax considerations of constituent feeder funds may make particular investments by the Master Fund more or less advantageous than to other

constituent feeder funds. Furthermore, the assets of the Feeder Funds will be exposed to the creditors, if any, of the Master Fund in addition to the Feeder Funds' own creditors. Creditors of the Master Fund may enforce claims against all assets of the Master Fund.

Absence of Regulatory Oversight. The Funds are not required to, and will not, register as investment companies under the Company Act, in reliance upon an exclusion from the definition of "investment company" thereunder. The Funds rely on the exclusion from the definition of investment company provided by Section 3(c)(1) or 3(c)(7) of the Company Act, limiting the availability of interests in the Funds to either less than one hundred persons or only persons who are "qualified purchasers" as defined in Section 2(a)(51) of the Company Act. Accordingly, the provisions of the Company Act (which may provide certain regulatory safeguards to investors) are not applicable. Because securities of the Funds expected to be held by brokers generally will not be held in segregated accounts, a failure of any such broker is likely to have a greater adverse impact on the Funds than if such securities were registered in the Funds' name. Under the provisions of the Securities Investor Protection Act of 1970, as amended, the bankruptcy of the Funds' prime broker might have a greater adverse effect on the Funds than would be the case if such prime broker was required to mark the Funds' securities as property of the Funds and to comply with other regulations of the SEC governing the custody of the securities of registered investment companies.

Non-Disclosure of Positions. In an effort to protect the confidentiality of its positions, the Funds may not disclose all of their positions to investors on an ongoing basis, although each Feeder Fund, in its sole discretion, may permit such disclosure on a select basis to certain investors and certain other parties if the Feeder Fund determines that there are sufficient confidentiality agreements and procedures in place. Further, each of the Funds may not disclose its investment positions in its annual financial statements if it determines that confidential treatment is desirable. In certain situations however, disclosure of the Funds' positions, and changes in those positions, may be required under federal securities laws, including, for example, where the Funds accumulate a significant position in a publicly-traded security. The disclosure of such positions could adversely affect the ability of the Funds to dispose of the position or the price at which the position may be disposed.

Limited Liquidity. An investment in the Feeder Funds is suitable only for certain sophisticated investors who have no need for liquidity in the investment. An investment provides limited liquidity because interests in the Feeder Funds are not freely transferable and investors generally may withdraw from the Feeder Funds only at the end of the applicable lock-up period and then, with respect to certain interests, only annually or tri-annually thereafter. In addition, if withdrawal requests are received for any withdrawal date for more than 25% of the net asset value of the Feeder Funds as of such date, the GP may, in its discretion, (1) satisfy all such withdrawal requests or (ii) reduce all withdrawal requests *pari passu* so that only 25% (or more, at the discretion of the GP) of the net asset value of the Feeder Funds is withdrawn. In either case, written notice of withdrawal must be received by the GP at least 90 days prior to the effective date of withdrawal.

The GP may suspend withdrawal rights, in whole or in part, when there exists in the opinion of the GP a state of affairs where disposal of the Feeder Funds' assets or the

determination of the value of an investor's capital account would not be reasonably practicable or would be seriously prejudicial to the non-withdrawing investors.

In addition, the GP, by written notice to an investor, may suspend payment of withdrawal proceeds to such investor if the GP reasonably deems it necessary to do so to comply with anti-money laundering laws and regulations applicable to the Funds, the GP or any of the Funds' other service providers.

In-Kind Distributions. The Feeder Funds expect to distribute cash to investors upon a withdrawal or redemption by any such investor. However, there can be no assurance that the Feeder Funds will have sufficient cash to satisfy withdrawal requests, or that the Feeder Funds will be able to liquidate investments at the time of such withdrawal requests at favorable prices. Under the foregoing circumstances, and under other circumstances deemed appropriate by the GP in its sole and absolute discretion, an investor may receive in-kind distributions from the Funds' portfolio. The risk of loss and delay in liquidating these securities will be borne by the investor, with the result that such investor may receive less cash than it would have received on the date of withdrawal.

Performance Allocation to the GP. The GP will receive a performance allocation from the Feeder Funds with respect to each investor based upon the net capital appreciation, if any, allocated to each investor. The receipt of the performance allocation by the GP may create an incentive for the Adviser, an affiliate of the GP, to make investments that are riskier or more speculative than would be the case if such arrangement were not in effect.

Portfolio Investment Risks

Limited Diversification. Although the GP may from time to time follow guidelines on diversification, there are no limits on the GP's investment discretion. At any given time, it is therefore possible that the GP may select investments that are concentrated in a particular market or industry, or in a limited number or type of securities. This limited diversity could expose the Funds to losses disproportionate to market movements in general if there are disproportionately greater adverse price movements in those investments.

Illiquid Portfolio Securities. The GP may invest in securities of private companies and privately issued securities of public companies, securities that lack a readily ascertainable market value or otherwise lack sufficient liquidity, or securities that should be held until the resolution of a special event or circumstance. The Funds may not be able to readily dispose of such non-publicly traded securities and, in some cases, may be contractually prohibited from disposing of such investments for a specified period of time. Other assets and liabilities for which no market prices are available generally will be carried on the books of the Funds at fair value (which may be cost) as reasonably determined by the GP in good faith. There is no guarantee that fair value will represent the value that will be realized by the Funds on the eventual disposition of the investment or that would, in fact, be realized upon an immediate disposition of the investment.

Effect of Withdrawals. A significant withdrawal of capital from the Funds may impair the ability of the Funds to maintain positions in some or all investments and may adversely affect the ability of the GP to follow the investment strategy. The Master Fund may be required to

liquidate securities positions at a time other than of its choosing and at disadvantageous valuations or on disadvantageous terms. The Funds also may be required to incur indebtedness to meet capital withdrawal requests, which will increase the operating cost of the Funds to the disadvantage of remaining investors.

Side-Pocketed Investments. To the extent that the Master Fund's assets have been side-pocketed by the GP or are otherwise illiquid, the GP may be required to delay payment of a portion of the amount otherwise being withdrawn by a withdrawing investor who participates in side pocket investments of the Funds or to limit the amount being withdrawn. Even if the GP is able to fully fund the withdrawal, there may be difficulties in valuing the withdrawing investor's interest.

Investments In Undervalued Securities. The identification of investment opportunities in undervalued securities is a difficult task, and there is no assurance that such opportunities will be successfully recognized or acquired. While investments in undervalued securities offer the opportunities for above-average capital appreciation, these investments involve a high degree of financial risk and can result in substantial losses. Returns generated from the Funds' investments may not adequately compensate for the business and financial risks assumed.

The Funds may make certain speculative investments in securities which the GP believes to be undervalued; however, there are no assurances that the securities purchased will in fact be undervalued. In addition, the Funds may be required to hold such securities for a substantial period of time before realizing their anticipated value. During this period, a portion of the Funds' capital would be committed to the securities purchased, thus possibly preventing the Funds from investing in other opportunities. In addition, the Funds may finance such purchases with borrowed funds and thus will have to pay interest on such funds during such waiting period.

Non-U.S. Investments. The GP may invest in non-U.S. securities or U.S. securities denominated in non-U.S. currencies and/or traded outside of the United States. Such investments require consideration of certain risks typically not associated with investing in U.S. securities or property. Such risks include, among other things, trade balances and imbalances and related economic policies, unfavorable currency exchange rate fluctuations, imposition of exchange control regulation by the United States or non-U.S. governments, United States and non-U.S. withholding taxes, limitations on the removal of funds or other assets, policies of governments with respect to possible nationalization of their industries, political difficulties, including expropriation of assets, confiscatory taxation and economic or political instability in foreign nations.

There may be less publicly available information about certain foreign companies than would be the case for comparable companies in the United States and certain foreign companies may not be subject to accounting, auditing and financial reporting standards and requirements comparable to or as uniform as those of U.S. companies. Securities markets outside the United States, while growing in volume, have for the most part substantially less volume than U.S. markets, and many securities traded on these foreign markets are less liquid and their prices more volatile than securities of comparable U.S. companies. In addition, settlement of trades in some non-U.S. markets is slower and more susceptible to failure than in U.S. markets. There also may

be less extensive regulation of the securities markets in particular countries than in the United States. These risks may be greater for companies in emerging markets.

Additional costs could be incurred in connection with the Funds' international investment activities. Foreign brokerage commissions generally are higher than in the United States. Expenses also may be incurred on currency exchanges when the GP changes investments from one country to another. Increased custodian costs as well as administrative difficulties (such as the applicability of foreign laws to foreign custodians in various circumstances, including bankruptcy, ability to recover lost assets, expropriation, nationalization and record access) may be associated with the maintenance of assets in foreign jurisdictions.

Foreign Exchange Risk. A portion of the Funds' assets may be invested in equity securities denominated in currencies other than the U.S. dollar and in other financial instruments, the price of which is determined with reference to currencies other than the U.S. dollar. The Funds, however, value their securities and other assets in U.S. dollars. To the extent unhedged, the value of the Funds' assets will fluctuate with U.S. dollar exchange rates as well as with price changes of the Funds' investments in the various local markets and currencies. The Funds may utilize options to hedge against currency fluctuations but there can be no assurance that such hedging transactions will be effective.

General Economic and Market Conditions. The success of the GP's activities on behalf of the Funds will be affected by general economic and market conditions, such as interest rates, availability of credit, inflation rates, economic uncertainty, changes in laws (including laws relating to taxation of the Funds' investments), trade barriers, currency exchange controls, and national and international political circumstances (including wars, terrorist acts or security operations). These factors may affect the level and volatility of securities prices and the liquidity of the Funds' investments. Volatility or illiquidity could impair the Funds' profitability or result in losses. The GP 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.

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.

Hedging Transactions. On behalf of the Funds, the GP may utilize financial instruments, both for investment purposes and for risk management purposes, in order to: (i) protect against possible changes in the market value of the Funds' investment portfolios resulting from fluctuations in the securities markets and changes in interest rates; (ii) protect the Funds' unrealized gains in the value of their investment portfolio; (iii) facilitate the sale of any such investments; (iv) enhance or preserve returns, spreads or gains on any investment in the Funds'

portfolio; (v) hedge the interest rate or currency exchange rate on any of the Funds' liabilities or assets; (vi) protect against any increase in the price of any securities the GP anticipates purchasing at a later date; or (vii) for any other reason that the GP deems appropriate. Notwithstanding the foregoing, the GP will not be required to hedge any particular risk in connection with a particular transaction or the portfolio generally.

Risks of Owning Significant Positions. The Funds may acquire positions exceeding 20% of the equity securities of a publicly traded company or either of them or the GP may become a member of the board of directors of a portfolio company. In that event, the Funds will become subject to Section 16 of the Securities Exchange Act of 1934, as amended (the "Exchange Act") and will be required to report all purchases and sales of such securities, and will be required to disgorge all profits realized by any sale or purchase within six months of another purchase or sale of such securities. To avoid the obligation to disgorge such profits, the Funds will be required to hold the positions for longer than circumstances may warrant, with the result that the Funds may be unable dispose of a position at a propitious time. Profits may be reduced and losses may result from such an inability to timely dispose of a position.

Additionally, if the Funds or GP have a nominee serving on a company's board of directors, they will likely have access to information about the company that is both material and non-public. Until that information is disclosed to the public or is no longer material, the Funds will be unable to acquire additional securities of the company or dispose of any portion of the position. This situation could make the position illiquid for an indefinite period of time and would likely impair the ability of the Funds to otherwise invest capital or to meet a withdrawal request from an investor.

Event Driven Investing. Certain investment opportunities may arise due to the pendency or occurrence of specific events affecting a company. Event driven investing requires the investor to make predictions about (i) the likelihood that an event will occur and (ii) the impact such event will have on the value of a company's securities. If the event fails to occur or it does not have the effect foreseen, losses can result. Because of the inherently speculative nature of event driven investing, the GP's results with respect to any such investments on behalf of the Funds may be expected to fluctuate from period to period and will not necessarily be indicative of results that may be expected in future periods.

Futures. The Funds may trade in futures contracts (and options on futures). Futures positions may be illiquid because certain commodity exchanges limit fluctuations in certain futures contract prices during a single day by regulations referred to as "daily price fluctuation limits" or "daily limits". Under such daily limits, during a single trading day no trades may be executed at prices beyond the daily limits. This could prevent the Funds from promptly liquidating unfavorable positions and subject the Funds to substantial losses. In addition, the Funds may not be able to execute futures contract trades at favorable prices if little trading in the contracts involved is taking place. It also is possible that an exchange or the Commodity Futures Trading Commission may suspend trading in a particular contract, order immediate liquidation and settlement of a particular contract, or order that trading in a particular contract be conducted for liquidation only.

Leverage and Financing Risk. The Funds may leverage their capital because the GP believes that the use of leverage may enable the Funds to achieve a higher rate of return. Accordingly, the Funds will pledge their securities to the lender in order to borrow additional funds for investment purposes. The Funds may also leverage their investment returns with options, commodity futures contracts, short sales and swaps. The amount of borrowings which the Funds may have outstanding at any time may be substantial in relation to their capital.

While leverage presents opportunities for increasing the Funds' total return, it has the effect of potentially increasing losses as well. Accordingly, any event which adversely affects the value of an investment by the Funds would be magnified to the extent the Funds are leveraged.

In general, the anticipated use of short-term margin borrowings results in certain additional risks to the Funds. For example, should the securities pledged to brokers to secure the Funds' margin accounts decline in value, the Funds could be subject to a "margin call", pursuant to which the Funds must either deposit additional funds or securities with the broker, or suffer mandatory liquidation of the pledged securities to compensate for the decline in value. In the event of a sudden drop in the value of the Funds' assets, the Funds might not be able to liquidate assets quickly enough to satisfy margin requirements.

The financing used by the Funds to leverage their portfolios will be extended by securities brokers and dealers in the markets in which the Funds invest. While the Funds will attempt to negotiate the terms of these financing arrangements with such brokers and dealers, their ability to do so is limited. The Funds are therefore subject to changes in the value that the broker-dealer ascribes to a given security or position, the amount of margin required to support such security or position, the borrowing rate to finance such security or position and/or such broker-dealer's willingness to continue to provide any such credit to the Funds. Because the Funds do not currently have an alternative credit facility which could be used to finance their portfolios in the absence of financing from broker-dealers, they could be forced to liquidate their portfolios on short notice to meet financing obligations. The forced liquidation of all or a portion of the Funds' portfolios at distressed prices could result in significant losses to the Funds.

Options. The Funds may buy or sell (write) both call options and put options, and when they write options they may do so on a "covered" or an "uncovered" basis. The Funds' options transactions may be part of a hedging tactic (i.e., offsetting the risk involved in another securities position) or a form of leverage, in which the Funds have the right to benefit from price movements in a large number of securities with a small commitment of capital. These activities involve risks that can be substantial, depending on the circumstances.

Equity Swaps. The Funds may make use of equity swaps. A swap is a contract under which two parties agree to make periodic payments to each other based on the value of a security, specified interest rates, an index or the value of some other instrument, applied to a stated or "notional" amount. An equity swap is a customized derivative instrument that entitles the counterparty to certain payments on the gain or loss on the value of an underlying equity security. Equity swaps are subject to various types of risk, including market risk, liquidity risk, counterparty credit risk, legal risk and operations risk.

Investments in Convertible Securities. The Funds may invest a portion of their capital in convertible securities. Convertible securities are bonds, debentures, notes, preferred stock and other securities that may be converted into or exchanged for a specified amount of common stock of the same or different issuer within a particular period of time at a specified price or formula. A convertible security entitles the holder to receive interest that is generally paid or accrued on debt or a dividend that is paid or accrued on preferred stock until the convertible security matures or is redeemed, converted or exchanged. Convertible securities have unique investment characteristics, in that they generally: (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.

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

Counterparty Risk. Some of the markets in which the Funds may effect transactions are "over-the-counter" or "interdealer" markets. The participants in such markets are typically not subject to the credit evaluation and regulatory oversight to which members of "exchange-based" markets are subject. This exposes the Funds 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 Funds to suffer a loss. Such "counterparty risk" is accentuated for contracts with longer maturities where events may intervene to prevent settlement, or where the Funds have concentrated their transactions with a single or small group of counterparties. The Funds are not restricted from concentrating any or all of their transactions with one counterparty. The ability of the Funds to transact business with any one or small number of counterparties and the absence of a regulated market to facilitate settlement may increase the potential for losses by the Funds.

Highly Volatile Markets. The prices of securities or financial instruments in which the Funds may invest can be highly volatile. Price movements of futures and other derivative contracts in which the Funds' assets may be invested are influenced by, among other things, interest rates, changing supply and demand relationships, trade, fiscal, monetary and exchanges control programs and policies of governments, and national and international political and economic events and policies. The Funds also are subject to the risk of the failure of any of the exchanges on which their positions trade or of their clearinghouses.

Short Selling. Short selling involves selling securities which are not owned and borrowing them for delivery to the purchaser, with an obligation to replace the borrowed securities at a later date. Short selling allows the investor to profit from declines in market prices to the extent such decline exceeds the transaction costs and the costs of borrowing the securities. The extent to which the Funds engage in short sales will depend upon the GP's investment strategy and opportunities. A short sale creates the risk of a theoretically unlimited loss, in that the price of the underlying security could theoretically increase without limit, thus increasing the

cost to the Funds of buying those securities to cover the short position. There can be no assurance that the Funds will be able to maintain the ability to borrow securities sold short. In such cases, the Funds can be “bought in” (i.e., forced to repurchase securities in the open market to return to the lender). There also can be no assurance that the securities necessary to cover a short position will be available for purchase at or near prices quoted in the market. Purchasing securities to close out the short position can itself cause the price of the securities to rise further, thereby exacerbating the loss.

Loans of Portfolio Securities. The Funds may lend their portfolio securities. By doing so, the Funds attempt to increase income through the receipt of interest on the loan. In the event of the bankruptcy of the other party to a securities loan, the Funds could experience delays in recovering the loaned securities. To the extent that the value of the securities the Funds lent has increased, the Funds could experience a loss if such securities are not recovered.

ITEM 9
DISCIPLINARY INFORMATION

There are no legal or disciplinary events that are material to a client's or prospective client's evaluation of the Adviser's advisory business or the integrity of the Adviser's management.

ITEM 10
OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS

A. Broker-Dealer Registration Status.

The Adviser and its management persons are not registered as broker-dealers and do not have any application pending to register with the SEC as a broker-dealer or registered representative of a broker-dealer.

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

The Adviser and its management persons are not registered as, and do not have any application pending to register as, futures commission merchants, commodity pool operators, commodity trading advisors or associated persons of the foregoing entities.

C. Material Relationships or Arrangements with Industry Participants.

The Adviser may recommend from time to time for clients to make investments in Other Products.

Mudrick GP, LLC, the general partner of the Funds and an affiliate of the Adviser, is responsible for the Funds business and affairs.

D. Material Conflicts of Interest Relating to Other Investment Advisers.

The Adviser does not recommend or select other investment advisers for its clients.

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

A. Code of Ethics.

The Adviser has adopted a code of ethics (“Code of Ethics”), which is designed to foster compliance with applicable federal statutes and regulatory requirements, minimize circumstances that may lead to or give the appearance of conflicts of interest with clients, insider trading, or unethical business conduct as well as promote a culture of high ethical standards. Among other things, the Code of Ethics governs personal securities trading by the Adviser’s personnel. Generally, no employee of the Adviser may personally trade or own any security (with the exception of various securities such as shares issued by open-ended mutual funds, money market funds, U.S. Treasury bonds, commercial paper, etc.). If any employee has any direct or indirect beneficial ownership in any non-excepted security as of the date he or she joined the Adviser, any sale of that security thereafter must be cleared, in advance and in writing, by the Adviser’s Chief Compliance Officer. Employees must also pre-clear transactions in various types of limited offerings. In addition, the Code of Ethics requires employees to disclose their personal securities holdings and transactions to the Adviser on a periodic basis.

The Adviser also maintains insider trading policies and procedures (the “Insider Trading Policies”) that are designed to prevent the misuse of material, non-public information.

The Adviser’s personnel are required to certify their compliance with the Code of Ethics, and the Insider Trading Policies, on a periodic basis.

The Adviser’s Insider Trading Policies prohibit the Adviser and its personnel from trading for the Funds or themselves, or recommending trading, in securities of a company while in possession of restricted material, non-public information about the relevant issuer in violation of the law (“Inside Information”). By reason of its various activities, the Adviser may become privy to Inside Information or be restricted from effecting transactions in investments that might otherwise have been initiated. The Adviser has designed and implemented policies in order to comply with the requirements of the federal securities laws relating to insider trading. Among other things, those policies and procedures seek to control and monitor the flow of Inside Information (if any) to and within the Adviser, as well as prevent trading on the basis of Inside Information in violation of the law.

Clients and prospective clients may request a copy of the Code of Ethics by contacting the Adviser at the address or telephone number listed on the first page of this document.

B. Securities in which the Adviser or a Related Person Has a Material Financial Interest.

1. Cross Trades

On occasion and to the extent permitted by law and as deemed advisable by the Adviser, the Adviser may effect rebalancing or internal “cross” transactions between the Funds. In that case, one Fund will purchase securities or other financial instruments held by one or more of the

other Funds or will sell securities or other financial instruments to one or more of the other Funds. The Adviser effects these transactions at a predetermined time, generally as of the close of the market on the last business day of each month, pursuant to a formula that will result in the Funds holding substantially similar securities or other financial instruments relative to each Fund's respective net asset value. The Adviser effects these transactions based on the then current independent market price and consistent with valuation procedures established by the Adviser. Neither the Adviser nor any of its affiliates receive any compensation in connection with "cross" transactions. These cross transactions generally will be effected without brokerage commissions being charged.

2. Principal Transactions

To the extent that cross transactions may be viewed as principal transactions due to the ownership interest in a fund by the Adviser and its personnel, the Adviser will either not effect that transaction or comply with the requirements of Section 206(3) of the Advisers Act, including that the Adviser will notify the relevant Fund (or an independent representative of that Fund) in writing of the transaction and obtain the consent of that Fund (or an independent representative of that Fund).

C. Investing in Securities that the Adviser or a Related Person Recommends to Clients.

See Item 11(A) for a description of the Adviser's personal trading policy.

D. Conflicts of Interest Created by Contemporaneous Trading.

1. Allocations of Trades and Investment Opportunities

It is the policy of the Adviser to allocate investment opportunities fairly and equitably over time. This means that these opportunities will be allocated among those clients for which participation in the respective opportunity is considered appropriate, taking into account, among other considerations (a) whether the risk-return profile of the proposed investment is consistent with the account's objectives, whether these objectives are considered (i) solely in light of the specific investment under consideration or (ii) in the context of that account's overall holdings; (b) the potential for the proposed investment to create an imbalance in the account's portfolio; (c) liquidity requirements of the account or anticipated cash flows into the account; (d) tax considerations; (e) regulatory restrictions that would or could limit an account's ability to participate in a proposed investment; and (f) the need to re-size risk in the account's portfolio. These considerations may result in allocations among the clients on other than a pari passu basis.

2. Order Aggregation and Average Pricing

The Adviser may, but is not obligated to, bunch orders for the purchase or sale of the same securities for the clients, where the Adviser deems this to be appropriate, in the best interests of client accounts and consistent with applicable regulatory requirements. When a bunched order is filled in its entirety, each participating client account, including a Fund, participates at the average price for the bunched order on the same business day, and transaction costs are shared pro rata based on each client's participation in the bunched order. When a bunched order is only partially filled, the securities purchased are allocated on a pro rata basis to

each client participating in the bunched order based upon the initial amount requested for the client, subject to certain exceptions, and each participating client participates at the average share price for the bunched order on the same business day.

ITEM 12

BROKERAGE PRACTICES

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

It is the Adviser's policy to place trades for execution for the Funds with broker-dealers on the basis of seeking best execution and in consideration of relevant factors, including, but not limited to: price quotes; the size of the transaction and ability to find liquidity; the broker-dealer's promptness of execution; confidentiality considerations; the nature of the market for the financial instrument; the timing of the transaction; the difficulty of execution; the broker-dealer's expertise in the specific financial instrument or sector in which the Funds seek to trade; the extent to which the broker-dealer makes a market in the financial instrument involved or has access to those markets; the broker-dealer's skill in positioning the financial instruments involved; the broker-dealer's financial stability; the broker-dealer's reputation for diligence, fairness and integrity; the quality of service rendered by the broker-dealer in other transactions for the Adviser; the quality and usefulness of brokerage and research services and investment ideas presented by the broker-dealer or third parties; the broker-dealer's willingness to correct errors; the broker-dealer's ability to accommodate any special execution or order handling requirements that may surround the particular transaction; and other factors deemed appropriate by the Adviser. The Adviser need not solicit competitive bids and does not have an obligation to seek the lowest available commission cost or spread.

1. Research and Other Soft Dollar Benefits.

The Adviser has not in the past, but may in the future cause its clients to pay a broker or dealer which provides eligible brokerage and research services that benefit the Adviser, a commission for effecting a securities transaction in excess of the lowest available commission cost; but only if (i) the Adviser determines in good faith that the amount is reasonable in relation to the services in terms of the particular transaction or in terms of the Adviser's overall responsibilities with respect to the accounts as to which it exercises investment discretion, (ii) payment is made in compliance with the provisions of Section 28(e) of the Exchange Act, other applicable state and federal laws and each Fund's respective governing documents and (iii) in the opinion of the Adviser, the total commissions paid by each Fund will be reasonable in relation to the benefits to that Fund over the long term. The performance allocation and the management fee will not be reduced as a result of the receipt by the Adviser of such research services, if applicable. The brokerage and research services provided may not be used solely for the clients and accounts which generated the brokerage commissions, but may be used to service all of the Adviser's clients.

Generally, research services provided by brokers may include information on the economy, industries, sectors, individual companies, statistical information, accounting and tax interpretations, political developments, legal developments affecting portfolio securities, technical market action, pricing and appraisal services, credit analysis, risk measurement analysis, performance analysis, and analysis of corporate responsibility issues. Research services may be received in the form of written reports, telephone contacts, and meetings with security analysts. In addition, these research services may be provided in the form of access to various

computer-generated data, and computer software. In some cases, research services are generated by third parties. In these circumstances, research prepared by a third party other than the broker who executed the transaction must be “provided by” a broker-dealer that is involved in “effecting” the trade for an account managed by the Adviser. For purposes of the Section 28(e) safe harbor, a broker-dealer is involved in “effecting” a trade where (i) it executes, clears or settles the trade, or (ii) performs at least one of the following four functions: (a) assumes financial responsibility for all customer trades until the clearing broker-dealer has received payment (or securities), i.e., is at risk for the customer’s failure to pay; (b) makes and/or maintains records relating to customer trades required by the SEC and self-regulatory organizations; (c) monitors and responds to customer comments concerning the trading process; or (d) generally monitors trades and settlements. For purposes of the Section 28(e) safe harbor, a broker-dealer “provides” research where it either: (a) is legally obligated to pay for the research or, (b) where a broker-dealer is not legally obligated to pay for the research, it (1) pays the research preparer directly, (2) reviews the description of the product or service for red flags that indicate the services are not within the safe harbor and agrees with the Adviser to use commissions only to pay for those items that reasonably fall within the safe harbor; and (3) implements procedures to ensure that research payments are documented and paid for promptly.

If less than 100% of a product or service is used for assistance in the Adviser’s decision-making process, the Adviser will consider the product as a “mixed-use” product. With mixed-use products, the Adviser will make a good faith allocation between the research and non-research benefits and will use commissions to pay for only that portion of the product used by the Adviser to formulate investment decisions and will use its own funds to pay for the portion of the product that is used for non-research purposes. With respect to “mixed-use” products, in making good faith allocations of costs between research and non-research benefits, a conflict of interest may exist by reason of the Adviser’s allocation of the costs of these benefits and services between those that primarily benefit the Adviser and those that primarily benefit its clients. The Adviser may share research with its affiliates, including the GP. The Adviser may have an incentive to select or recommend a broker-dealer based on the Adviser’s interest in receiving the research or other products or services, rather than on clients’ interest in receiving most favorable execution.

2. Brokerage for Client Referrals.

The Adviser does not consider, in selecting or recommending broker-dealers, whether the Adviser or a related person receives client referrals from a broker-dealer or third party. However, as discussed above, subject to best execution, the Adviser may consider, among other things, capital introduction and marketing assistance with respect to investors in the Funds in selecting or recommending broker-dealers for the Funds.

3. Directed Brokerage.

The Adviser does not recommend, request or require that a client direct the Adviser to execute transactions through a specified broker-dealer.

Where a broker-dealer performs only one function, it must take steps to see that the other functions have been reasonably allocated to another broker-dealer in the arrangement in accordance with SEC or SRO rules.

B. Order Aggregation.

Please see Item 11(D) for a description of the Adviser's order aggregation procedures.

ITEM 13

REVIEW OF ACCOUNTS

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

The Adviser performs various daily, weekly, monthly, quarterly and other periodic reviews of each client's portfolio. These reviews are conducted by the Adviser's Investment Principals. The Chief Investment Officer monitors client accounts and focuses on, among other things, market exposure, market risks and position concentration by company, industry and countries.

B. Factors Prompting Review of Client Accounts on Other than a Periodic Basis.

Client accounts are reviewed on a periodic basis, but a review of client accounts on other than a periodic basis may be triggered by any unusual activity or special circumstances. No formalized stop loss mechanism is used but if a position moves significantly against the portfolio it is re-evaluated. If the thesis has changed it is exited.

C. Content and Frequency of Account Reports to Clients.

The Adviser generally provides annual written reports containing audited financial statements within 120 days following the end of the applicable client's fiscal year end. In addition, the Adviser provides investors in each Fund with estimates of the Fund's performance and written capital account statements on a monthly basis, and other information as the Adviser may, from time to time, deem advisable and desirable.

ITEM 14
CLIENT REFERRALS AND OTHER COMPENSATION

A. Economic Benefits for Providing Services to Clients.

The Adviser does not receive economic benefits from non-clients for providing investment advice and other advisory services to the Adviser's clients.

B. Compensation to Non-Supervised Persons for Client Referrals.

Neither the Adviser nor any related person directly or indirectly compensates any person who is not a supervised person, including placement agents, for client referrals. As of November 15, 2011, Jefferies & Company, Inc. ("Jefferies"), and as of September 1, 2013, Agecroft Partners, LLC ("Agecroft," and together with Jefferies, the "Agents") have been retained as non-exclusive placement agents for introducing potential investors to the Feeder Funds. The Agents receive a portion of the management fees otherwise paid to the Adviser in connection with investors introduced to the Feeder Funds by such Agent. Investors introduced to the Feeder Funds through an Agent will receive detailed written disclosure describing such Agent's compensation for its services.

ITEM 15

CUSTODY

The Adviser is deemed to have custody of client funds and securities because it has the authority to obtain possession of client funds or securities, for example, by deducting advisory fees from a client's account or otherwise withdrawing funds from a client's account. Account statements related to the clients are sent by qualified custodians to the Adviser.

The Adviser is subject to Rule 206(4)-2 under the Advisers Act (the "Custody Rule"). However, it is not required to comply (or is deemed to have complied) with some requirements of the Custody Rule with respect to each Fund because it complies with the provisions of the so-called "Pooled Vehicle Annual Audit Exception", which, among other things, requires that each Fund be subject to audit at least annually by an independent public accountant that is registered with, and subject to regular inspection by, the Public Company Accounting Oversight Board, and requires that each Fund distribute its audited financial statements to all investors within 120 days of the end of its fiscal year.

ITEM 16
INVESTMENT DISCRETION

The Adviser or an affiliate of the Adviser entered into an investment management agreement, or similar agreement, with each Fund, pursuant to which the Adviser or an affiliate of the Adviser was granted discretionary trading authority.

The Adviser's investment decisions and advice with respect to each Fund are subject to each Fund's investment objectives and guidelines, as set forth in its offering documents.

ITEM 17

VOTING CLIENT SECURITIES

In accordance with SEC requirements, the Adviser has adopted Proxy Voting Policies and Procedures (the “Policies”) to address how the Adviser shall vote proxies for the Funds’ portfolio investments. The Policies seek to ensure that the Adviser votes proxies (or similar instruments) in the best interest of the Funds, including when there may be conflicts of interest in voting proxies. The Adviser does not anticipate any conflicts of interest between the Adviser and the Funds in terms of proxy voting. If the Adviser, however, encounters an identifiable conflict of interest with respect to a particular vote, within a sufficient time period before a vote, the Adviser’s conflicts committee will determine how to vote the proxy consistent with the best interests of the Funds and in a manner not affected by the conflict of interest. The conflicts committee may opt for a voting procedure by which guidance is sought from the Adviser’s advisory board or outside legal counsel. Clients may obtain a copy of the Policies and/or information regarding how the Adviser voted proxies for particular portfolio companies by contacting the Adviser.

ITEM 18
FINANCIAL INFORMATION

The Adviser is not required to include a balance sheet for its most recent fiscal year, is not aware of any financial condition reasonably likely to impair its ability to meet contractual commitments to clients, and has not been the subject of a bankruptcy petition at any time during the past ten years.

ITEM 19
REQUIREMENTS FOR STATE-REGISTERED ADVISERS

Not applicable.