

**PART 2A OF FORM ADV:
FIRM BROCHURE**

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This brochure (the “Brochure”) provides information about the qualifications and business practices of Finepoint Capital LP (“Finepoint Capital”). If you have any questions about the contents of this Brochure, please contact us at (617) 336-2200, Investorservices@finepointcap.com or www.finepointcapital.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 Finepoint Capital also is available on the SEC’s website at www.adviserinfo.sec.gov. Finepoint Capital’s registration with the SEC does not imply a certain level of skill or training.

THIS BROCHURE DOES NOT CONSTITUTE AN OFFER TO SELL OR THE SOLICITATION OF AN OFFER TO BUY ANY SECURITY.

Item 2: Material Changes

Item 2 is not applicable to Finepoint Capital as this is its initial brochure.

In the future, this Item will identify and discuss the material changes since the last annual update to assist investors and make them aware of certain information that has changed since the prior year's brochure and that may be important to them.

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Item 4: Advisory Business

Finepoint Capital was founded in March 2013 and is organized as a Delaware limited partnership. Herbert Wagner (the “Principal”) is the founder of Finepoint Capital and managing member of the general partner of Finepoint Capital. Mr. Wagner and his immediate family members are the owners of Finepoint Capital. Mr. Wagner is responsible for the management of the portfolio for each of Finepoint Capital Partners I, L.P. (“Finepoint Capital I”) and Finepoint Capital Partners II, L.P. (“Finepoint Capital II” and together with Finepoint Capital I, the “Funds”). Mr. Wagner is supported by a team of investment and operational professionals, including Steven Lefkowitz (Chief Financial Officer of Finepoint Capital) and Rebecca Nordhaus (Chief Administrative Officer of Finepoint Capital).

Finepoint Capital serves as the investment manager and provides discretionary advisory services to the Funds. The Funds will generally invest, subject to tax, legal or other considerations, *pari passu* each other. Finepoint Capital may, in the future, organize additional investment vehicles that follow an investment strategy similar to or different from the investment program of the Funds.

The investment objective of the Funds is to achieve attractive absolute returns on a long-term, risk-adjusted basis, while emphasizing capital preservation. To achieve the objective, the Funds will employ an opportunistic, deep-value investment strategy combined with an analytically rigorous, fundamental approach to identifying and assessing value. The Funds will invest when risk is attractively priced and will hold cash when opportunities are not compelling on an absolute, risk-adjusted basis. Finepoint Capital provides investment advice directly to the Funds and not individually to a Fund’s limited partners or investors. Investment restrictions for the Funds, if any, are generally established in the applicable Fund’s limited partnership agreement, private placement memorandum or investment management agreement (collectively, a Fund’s “Governing Documents”).

At the time of its initial ADV filing, Finepoint Capital was operating as a family office and had no client assets under management.

Item 5: Fees and Compensation

As provided under each Fund’s Governing Documents, Finepoint Capital or its affiliates will receive from the Funds both a quarterly management fee (the “Management Fee”) at a fixed rate and an annual performance allocation (the “Performance Allocation”) based on the performance of the Funds, as described further below. Although Finepoint Capital has entered into agreements with the Funds providing for the fees or allocations described below, Finepoint Capital may negotiate alternative fees or allocations on a client-by-client basis with other funds or separate account clients that it manages in the future. Finepoint Partners, LLC, the general partner of each Fund (the “General Partner”) also retains the ability to, in its sole discretion, waive, reduce or rebate the Management Fee and/or Performance Allocation with respect to certain limited partners of each Fund, including affiliates of the General Partner and/or Finepoint Capital; provided, however, that no such waiver, reduction or rebate will adversely impact any other limited partner in a Fund or cause them to bear a higher portion of the Management Fee and/or Performance Allocation than they would otherwise bear absent such waiver, reduction or rebate.

Finepoint Capital deducts its Management Fee of 0.375% (1.5% per annum) from each Fund generally quarterly in advance. A limited partner of a Fund that withdraws all or a portion of its interest in a Fund other than at the end of a quarter shall be reimbursed a pro rata portion of the Management Fee for such quarter. The General Partner receives a Performance Allocation of 20% from the Funds on an annual basis in arrears and upon withdrawals by investors in the Funds, subject to a “highwater mark.” For a further discussion of the Performance Allocation and the “highwater mark”, please see Item 6.

In addition to the Management Fee and the Performance Allocation, each Fund will bear the costs and expenses related to its investments and its operations, including, without limitation: brokerage and other transaction costs; clearing and settlement charges; trade break fees; consulting expenses; research and due diligence expenses (whether or not the related investment is consummated); expenses incurred in connection with pFinepoint Capital or any investment team member forming or serving on any creditors' committees; legal fees and other expenses in connection with conducting due diligence and negotiating the terms of certain investments, regardless of whether such investments are consummated; custodial fees; initial and variation margin, interest and commitment fees on debit balances or borrowings; stock borrowing fees; proxy solicitation expenses; legal audit and tax preparation expenses, accounting fees; administrator fees and expenses (including fees and expenses of the Fund's administrator and third party valuation services); directors fees; fees and expenses for risk management services; insurance expenses, including costs of any liability insurance obtained on behalf of the Fund (including, without limitation, directors and officers insurance); indemnification expenses; the Management Fee; regulatory costs and expenses (including filing and license fees); any issue or transfer taxes chargeable in connection with any securities transactions; any entity level taxes and fees; costs of reporting and providing information to the partners of the Fund; costs of litigation or investigation involving the Fund's activities; any extraordinary expenses; and to the extent applicable, a pro rata share of the fees and expenses of any other investment vehicles in which the Fund invests (including, without limitation, any management fees or performance-based compensation). For more information regarding Finepoint Capital's brokerage practices and brokerage expenses discussed herein, please see Item 12.

Each Fund will also bear its organizational expenses and the costs incurred in connection with the initial issuance of Fund interests, including legal and accounting fees, third party document production and printing costs, federal and state filing fees, and other related expenses. It is anticipated that organizational expenses will be amortized by each Fund, in the sole discretion of the General Partner, for financial reporting purposes over a period of five (5) years. The General Partner believes that amortizing such expenses is more equitable than expensing the entire amount during the first year of operations, as is required by U.S. generally accepted accounting principles ("GAAP"), and also conforms to industry practice.

The terms of the Funds may be altered for investors to address compliance with any law, regulation or contract applicable to such investor or, to address a tax, ERISA, legal or regulatory issue applicable to such investor or sovereign status of such investor.

Neither Finepoint Capital nor any of its supervised persons accept any compensation (e.g., brokerage commissions) for the sale of securities or other investment products, including interests in the Funds.

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

The General Partner is entitled to receive a Performance Allocation from each Fund generally at the end of each calendar year. Generally, at the end of each fiscal year, subject to the recovery of net losses allocated to the loss recovery account (as described below), the General Partner will receive an allocation from the capital account of each limited partner in each Fund (after reduction for expenses and fees incurred by such Fund) equal to 20% of the Net Increase for such fiscal year. The "Net Increase" of a capital account shall mean the excess realized and unrealized net profits over realized and unrealized net losses allocated to such capital account for such fiscal year (or other fiscal period, if applicable) prior to giving effect to any Performance Allocation.

Appreciation relating to "designated investments" will not be allocated to a the capital account of a limited partner in the Fund for purposes of determining the Performance Allocation until such "designated

investment” is realized or deemed realized; however, unrealized losses attributable to any decrease of the Fund’s carrying value for such “designated investment” (meaning, the lower of (i) the cost of such “designated investment” at acquisition, or (ii) the fair market value of such “designated investment”) will be taken into account for purposes of determining the Performance Allocation. “Designated investments” are investments that the General Partner, in consultation with Finepoint Capital, determines are illiquid, restricted, or not susceptible to valuation prior to disposition or maturity, or that the General Partner, in consultation with Finepoint Capital, otherwise determines should be held until the occurrence of certain events or for an undefined period.

The General Partner will not be entitled to receive a Performance Allocation with respect to a limited partner’s capital account in the event that such capital account has aggregate net losses (that have not been decreased by aggregate net profits) during any of the three (3) years (or portions thereof) concluded on the date such Performance Allocation is determined. Each Fund will maintain a loss recovery account (sometimes referred to as a “high water mark”) that corresponds to the capital account of each limited partner to calculate whether the General Partner will be entitled to receive such a Performance Allocation.

If an investor withdraws capital from a Fund, the amount of such investor’s high water mark, if any, will be reduced in proportion to the amount of capital withdrawn.

The General Partner may waive the Performance Allocation with respect to any investments by certain limited partners, including its affiliates and affiliates of Finepoint Capital.

Item 7: Types of Clients

Finepoint Capital currently provides investment advisory services to the Funds. Investment advice is provided directly to the Funds, subject to the discretion and control of the General Partner and not individually to the investors in the Funds.

Interests in the Funds are offered pursuant to applicable exemptions from registration under the Investment Company Act of 1940 and the Securities Act of 1933. Investors in the Funds may include, but are not limited to, high net worth individuals, family offices, fund of hedge funds, endowments, foundations, trusts, estates, charitable organizations, pension plans, limited partnerships, limited liability companies and similar entities.

The minimum initial investment in each Fund is \$10,000,000. The General Partner, in its sole discretion, may accept subscriptions of a lesser amount.

Finepoint Capital may in the future provide advisory services to other funds and separately managed accounts for high net worth individuals, trusts, estates, charitable organizations, pension plans, corporations, limited partnerships, limited liability companies, and similar entities.

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

Each Fund will employ an opportunistic, deep-value investment strategy combined with an analytically rigorous, fundamental approach to identifying and assessing value. Each Fund will invest when Finepoint Capital believes that risk is attractively priced and will hold cash when opportunities are not compelling on an absolute, risk-adjusted basis.

Each Fund will invest opportunistically in various securities and other financial instruments across diverse geographies, sectors, and asset classes, with an emphasis on public markets. Each Fund may

purchase or otherwise acquire and/or sell, *inter alia*, equities, corporate debt, distressed debt, trade claims, structured products, municipal bonds, pooled vehicles, private positions, preferred stocks, derivatives and loans.

Finepoint Capital will search for changing market conditions or inefficiencies that may create opportunities for value-oriented investing. Finepoint Capital will seek to identify opportunities where prices have become distorted for reasons unrelated to fundamental value. Asset prices may deviate from fair value for a host of reasons, including forced selling as a result of institutional restrictions, market illiquidity, uncertainty surrounding a change in a business or industry, security conversions, restructurings, or other complexities or uncertainties. Finepoint Capital also will focus on markets that are out of favor, historically have been prone to selling for reasons other than valuation, or where research is light.

Material Risks

An investment in a Fund involves a high degree of investment risk, including the risk that the entire amount invested may be lost. A Fund will make investments using strategies and financial techniques with significant risk characteristics. No guarantee is made that the investment objectives of a Fund will be realized. Below is a list of potential investment risk factors that are reportable in this brochure. There is no guarantee that this is a complete list of the risks, that a Fund will be able to control investment risks or that the risks will not aggregate in a manner adverse to a Fund. Additional risks associated with an investment in a Fund may be disclosed in each Fund's Governing Documents.

Investment and Trading Risks. An investment in a Fund involves a high degree of risk, including the risk that the entire amount invested may be lost. No guarantee or representation is made that such Fund's investment program will be successful. Finepoint Capital will be investing substantially all of the Funds' assets in securities, some of which may be particularly sensitive to economic, market, industry and other variable conditions. The markets in which the Funds expect to invest have in recent years experienced significant volatility and losses. No assurance can be given as to when or whether adverse events might occur that could cause immediate and significant losses to a Fund.

Undervalued Securities. Finepoint Capital's investment strategy focuses on investing in companies that it believes are undervalued. Opportunities in undervalued securities arise from market inefficiencies or due to a lack of wide recognition of the potential impact (positive or negative) that specific events or trends may have on the value of a security. 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 opportunities for above-average capital appreciation, these investments involve a high degree of financial risk and can result in substantial losses.

Investments in High Yield and Distressed Securities. Each Fund invests in "below investment grade" securities and obligations of domestic and non-U.S. issuers in weak financial condition, experiencing poor operating results, having substantial capital needs or negative net worth, facing special competitive or product obsolescence or other problems, including companies involved in bankruptcy or other reorganization and liquidation proceedings. These securities are likely to be particularly risky investments although they also may offer the potential for correspondingly high returns. Some of these securities may not be publicly traded, and it therefore may be difficult to obtain information as to the true condition of such issuers or to buy or sell these securities. Additionally, in certain periods, there may be little or no liquidity in markets for these securities. The public market prices of distressed securities may be subject to abrupt and erratic market movements and above-average price volatility, and the spread between the bid and ask prices of such securities may be greater

than normally expected. It may take a substantial period of time for the market price of such securities to reflect what Finepoint Capital believes is their intrinsic value. In addition, the concentration of hedge funds (or similar participants) as owners of distressed companies could cause the value of such securities to be depressed if the hedge funds (or similar participants) are forced to liquidate their positions due to withdrawals, a credit crunch or other events affecting such funds. Investments in distressed securities may also be affected adversely by laws relating to, among other things, fraudulent transfers and other voidable transfers or payments, lender liability and the bankruptcy court's power to disallow, reduce, subordinate or disenfranchise particular claims. Such companies' securities may be considered speculative, and the ability of such companies to pay their debts on schedule could be affected by adverse interest rate movements, changes in the general economic climate, economic factors affecting a particular industry or specific developments within such companies.

There can be no assurance that Finepoint Capital will correctly evaluate the value of the assets collateralizing the obligations owed to a Fund or the prospects for a successful reorganization or similar action. In liquidation (both in and out of bankruptcy) and other forms of corporate reorganization, there exists the risk that, among other things, the reorganization will be unsuccessful (due to, for example, failure to obtain requisite approvals), will be delayed (for example, until various liabilities, actual or contingent, have been satisfied) or will result in a distribution of cash or a new security the value of which will be less than the purchase price to the Fund(s) of the security in respect to which such distribution was made. The administrative costs of a bankruptcy proceeding are frequently high and are paid out of the debtor's estate before any return to creditors (other than out of assets or proceeds thereof that are subject to valid and enforceable liens and other security interests) and equity holders. Troubled companies and other asset-based investments also require active monitoring and may, at times, require participation in business strategy or reorganization proceedings by the Funds. To the extent that Finepoint Capital becomes involved in such proceedings, a Fund may have a more active participation in the affairs of the issuer than that assumed generally by an investor.

Investment in the debt of financially distressed companies domiciled outside the U.S. involves additional risks. Bankruptcy law and process may differ substantially from that in the U.S., resulting in greater uncertainty as to creditors' rights, the enforceability of those rights, reorganization timing and the classification, seniority and treatment of claims. In certain countries, although bankruptcy laws have been enacted, the process for reorganization remains highly uncertain.

Investments in Bankrupt or Restructured Companies. As noted above, certain of the issuers of securities which may be purchased by a Fund, may be involved in bankruptcy or other reorganization proceedings which involve a substantial degree of risk. Many of the events within a bankruptcy case are adversarial and often beyond the control of the creditors. Accordingly, a bankruptcy court may approve actions that are contrary to the Fund(s). Generally, the duration of a bankruptcy case can only be roughly estimated and, as noted above, the process can involve substantial legal, professional and administrative costs to the company and a Fund; it is subject to unpredictable and lengthy delays; and during the process the company's competitive position may erode, key management may depart and the company may not be able to invest adequately. In some cases, the company may not be able to reorganize and may be required to liquidate assets.

Restricted Investments. A Fund may invest its assets in restricted securities or securities that are subject to certain liquidity restrictions, including, without limitation, lock-up periods. These securities may be subject to legal or contractual restrictions on resale and transfer and, therefore, may be illiquid and subject to wide fluctuations in value. Such securities may be held by a Fund until the occurrence of certain events or for an extended period, as determined by Finepoint Capital. The resale of restricted and illiquid securities may be difficult to value and oftentimes may have higher brokerage charges.

Risk Arbitrage Transactions. A Fund may engage in certain arbitrage trading including, but not limited to, event-driven arbitrage and volatility arbitrage. In such trading, a Fund attempts to profit by

exploiting price differences of identical or similar securities or financial instruments on different markets or in different forms. Often arbitrage opportunities disappear rapidly once the opportunity becomes well-known and many investors act on it. Arbitrage trading can involve large transaction costs because of the need to simultaneously buy and sell many different securities. There is no assurance that the arbitrage transaction will perform in the manner expected by Finepoint Capital and the exposure of a Fund to a movement in the market or other factors could be significantly increased. In certain transactions, a Fund may not be hedged against market fluctuations unrelated to the anticipated transaction but which may affect the value of the consideration to be received. This may result in losses, even if the proposed transaction is consummated.

Risks Relating to Investments in Municipal Securities. Municipal issuers may be adversely affected by rising health care costs, increasing unfunded pension liabilities, and the phasing out of federal programs that provide financial support to municipalities. Unfavorable conditions and developments relating to projects financed with municipal securities can result in lower revenues to issuers thereof. Issuers often depend on revenues from these projects to make principal and interest payments. The value of municipal securities also can be adversely affected by changes in the financial condition of insurers of municipal issuers, regulatory and political developments, tax law changes or other legislative actions, and by uncertainties and public perceptions concerning these and other factors.

Investments in Corporate Debt and other Fixed Income Securities. A Fund may invest a portion of its capital in bonds or other fixed income securities, including, without limitation, bonds, notes and debentures issued by corporations, limited partnerships and other similar entities. A Fund may also invest in debt securities issued or guaranteed by the U.S. or foreign government or one of its agencies or instrumentalities, commercial paper, and “higher yielding” (and, therefore, higher risk) debt securities of the former categories. These securities may pay fixed, variable or floating rates of interest, and may include zero coupon obligations. Fixed income securities are subject to the risk of the issuer’s inability to meet principal and interest payments on its obligations (*i.e.*, credit risk) and are subject to price volatility due to such factors as interest rate sensitivity, market perception of the creditworthiness of the issuer and general market liquidity (*i.e.*, market risk). A major economic recession could disrupt severely the market for such securities and may have an adverse impact on the value of such securities. In addition, any such economic downturn could adversely affect the ability of the issuers of such securities to repay principal and pay interest thereon and increase the incidence of default for such securities.

Loans and Loan Participations. A Fund may invest in corporate bank debt (“Bank Loans”) and participations therein originated by banks and other financial institutions. It is anticipated that such Bank Loans will primarily be term loans, may pay interest at a fixed or floating rate and may be senior or subordinated. Purchasers of Bank Loans are predominantly commercial banks, investment funds and investment banks and there can be no assurance that current levels of supply and demand in Bank Loan trading will provide an adequate degree of liquidity. Each Fund intends to acquire interests in Bank Loans either directly (by way of sale or assignment) or indirectly (by way of participation or other derivative contract). In purchasing participations and other derivatives, Finepoint Capital on behalf of each Fund generally has no right to enforce compliance by the borrower with the terms of the loan agreement, nor any rights of set-off against the borrower, and the Fund may not directly benefit from the collateral supporting the debt obligation in which it has purchased the participation. As a result, a Fund will assume the credit risk of both the borrower and the institution selling the participation or other derivative contract.

General Market and Credit Risks of Debt Obligations. Debt portfolios are subject to credit risk and interest rate risk. “Credit risk” refers to the likelihood that an issuer will default on the payment of principal and/or interest on an instrument. Financial strength and solvency of an issuer are the primary

factors influencing credit risk. In addition, inadequacy of collateral or credit enhancement for a debt instrument may affect its credit risk. Credit risk may change over the life of an instrument, and debt obligations which are rated by rating agencies are often reviewed and may be subject to downgrade. “Interest rate risk” refers to the risks associated with market changes in interest rates. Interest rate changes may affect the value of a debt instrument indirectly (especially in the case of fixed rate securities) and directly (especially in the case of instruments whose rates are adjustable). In general, rising interest rates will negatively impact the price of a fixed rate debt instrument and falling interest rates will have a positive effect on price. Adjustable rate instruments also react to interest rate changes in a similar manner although generally to a lesser degree (depending, however, on the characteristics of the reset terms, including the index chosen, frequency of reset and reset caps or floors, among other factors). Interest rate sensitivity is generally more pronounced and less predictable in instruments with uncertain payment or prepayment schedules.

Equity Securities Generally. A Fund may invest in equity and equity-related securities in the U.S. and other countries. The value of these financial instruments generally will vary with the performance of the issuer and movements in the equity markets. As a result, a Fund may suffer losses if it invests in equity instruments of issuers whose performance diverges from Finepoint Capital’s expectations or if equity markets generally move in a single direction and a Fund has not hedged against such a general move. A Fund also may be exposed to risks that issuers will not fulfill contractual obligations such as, in the case of convertible securities or private placements, delivering marketable common stock upon conversions of convertible securities and registering or otherwise qualifying restricted securities for public resale.

Short Sales. Finepoint Capital may engage in short sales. Finepoint Capital generally expects to short equities only as part of a “paired trade” and will short credit opportunistically. Short sales are sales of securities a Fund borrows but does not actually own, usually made with the anticipation that the prices of the securities will decrease and a Fund will be able to make a profit by purchasing the securities at a later date at the lower prices. A Fund will incur a potentially unlimited loss on a short sale if the price of the security increases prior to the time it purchases the security to replace the borrowed security. A short sale presents greater risk than purchasing a security outright since there is no ceiling on the possible cost of replacing the borrowed security, whereas the risk of loss on a “long” position is limited to the purchase price of the security. Closing out a short position may cause the security to rise further in value creating a greater loss.

Asset-Backed Securities (“ABS”). A Fund may invest in ABS. ABS represent interests in pools of assets (including consumer loans) and most often are structured as pass-through securities (*i.e.*, shares or certificates of interest in a pool of debt obligations that have been repackaged by an intermediary, such as a bank or broker-dealer). Interest and principal payments ultimately depend on payment of the underlying loans by individuals, although the securities may be supported by letters of credit or other credit enhancements. The underlying assets (*e.g.*, loans) are subject to prepayments that shorten the securities’ weighted average life and may lower their returns. If the credit support or enhancement is exhausted, losses or delays in payment may result if the required payments of principal and interest are not made. The value of these securities also may change because of changes in the market’s perception of the creditworthiness of the servicing agent for the pool, the originator of the pool, or the financial institution providing the credit support or enhancement. ABS have many of the same characteristics and risks as the mortgage-related securities described below, except that ABS may be backed by non-real-estate loans, leases or receivables such as auto, credit card or home equity loans. Some asset-backed securities, may have structures that make their reaction to interest rates and other factors difficult to predict, making their prices very volatile and they are subject to liquidity risk.

Commercial Mortgage-Backed Securities (“CMBS”). A Fund may invest in CMBS issued or guaranteed by the U.S. Government, its agencies or instrumentalities, or private issuers such as banks, insurance companies, and savings and loans. Some of these securities, such as Government National Mortgage Association (“GNMA”) certificates, are backed by the full faith and credit of the

U.S. Treasury while others, such as Federal Home Loan Mortgage Corporation (“Freddie Mac”) certificates, are not.

CMBS represent interests in a pool of mortgages. Principal and interest payments made on the mortgages in the underlying mortgage pool are passed through to the holder of the security. These securities are often subject to more rapid repayment than their stated maturity dates would indicate as a result of principal prepayments on the underlying loans. This can result in significantly greater price and yield volatility than with traditional fixed-income securities. During periods of declining interest rates, prepayments can be expected to accelerate which will shorten these securities’ weighted average life and may lower their return. Conversely, in a rising interest rate environment, a declining prepayment rate will extend the weighted average life of these securities which generally would cause their values to fluctuate more widely in response to changes in interest rates.

The value of these securities also may change because of changes in the market’s perception of the creditworthiness of the federal agency or private institution that issued them. In addition, the mortgage securities market in general may be adversely affected by changes in governmental regulation or tax policies.

The repayment of certain mortgage-related securities depends primarily on the cash collections received from the issuer’s underlying asset portfolio and, in certain cases, the issuer’s ability to issue replacement securities (such as asset-backed commercial paper). As a result, there could be losses in the event of credit or market value deterioration in the issuer’s underlying portfolio, mismatches in the timing of the cash flows of the underlying asset interests and the repayment obligations of maturing securities, or the issuer’s inability to issue new or replacement securities. Most commercial mortgage loans underlying CMBS are effectively nonrecourse obligations of the borrower, meaning that there is no recourse against the borrower’s assets other than the collateral. If borrowers are not able or willing to refinance or dispose of encumbered property to pay the principal and interest owed on such mortgage loans, payments on the subordinated classes of the related CMBS are likely to be adversely affected. CMBS that are issued by private issuers are not subject to the underwriting requirements for the underlying mortgages that are applicable to those CMBS that have a government or government-sponsored entity guarantee. As a result, the mortgage loans underlying private CMBS may, and frequently do, have less favorable collateral, credit risk or other underwriting characteristics than government or government-sponsored CMBS and have wider variances in a number of terms including interest rate, term, size, purpose and borrower characteristics.

ABS and CMBS Subordinated Securities. Investments in subordinated CMBS and ABS involve greater credit risk of default than the senior classes of the issue or series. Default risks may be further pronounced in the case of CMBS and ABS secured by, or evidencing an interest in, a relatively small or less diverse pool of underlying loans. Certain subordinated securities absorb all losses from default before any other class of securities is at risk, particularly if such securities have been issued with little or no credit enhancement or equity. Such securities, therefore, possess some of the attributes typically associated with equity investments.

Residential Mortgage-Backed Securities (“RMBS”). A Fund’s investment portfolios may also comprise RMBS issued or guaranteed by the U.S. Government, its agencies or instrumentalities, or private issuers such as banks, insurance companies, and savings and loans. Due to economic conditions such as high unemployment, market volatility, and lower home prices combined with the effects of ballooning interest rates on variable rate mortgages and previous aggressive lending practices followed by much more stringent lending practices, mortgage loans have in recent years experienced increased rates

of delinquency, foreclosure, bankruptcy and loss, and are likely to continue to experience rates that are higher, and that may be substantially higher, than those seen in the past. Thus, because of the higher delinquency rates and losses associated with mortgage loans, the performance of a Fund's RMBS could be correspondingly adversely affected.

Concentration of Investments. A Fund's portfolio may, from time to time, be concentrated in a particular type of security, industry, geographic location or market capitalization. This may be the result of a Fund's opportunistic investing, external market forces or the lack of liquidity in one security as compared to other securities the Fund holds. Losses incurred in a position making up a significant percentage of a Fund's capital could have a material adverse effect on the Fund's overall financial condition. This limited diversity could expose a Fund to significantly greater volatility than in a more diversified portfolio.

Control Positions. From time to time, a Fund may purchase (possibly with other accounts managed by the General Partner, Finepoint Capital or their respective affiliates) a large enough position in an issuer to participate in its management and control. This may subject a Fund to certain risks. For example, a Fund may be subject to claims by other investors in the issuer, who may, among other things, object to the manner in which a Fund exercises its rights to participate in the management of the issuer. Creditors of the issuer might seek to hold the Fund responsible for obligations of the issuer. A controlling group of shareholders might be subject to claims against an issuer that arise in other areas, including, but not limited to, tort, securities and environmental law. Defending any such claims may be very costly and time-consuming and any liability in connection therewith could be substantial and may be borne by a Fund.

Third Party Investment Vehicles. A Fund may invest in pooled investment vehicles (both publicly traded and privately held) managed by investment advisers that may or may not be affiliated with Finepoint Capital (each, an "Other Fund"). Such Other Funds may invest in a wide variety of securities and assets. No assurance can be given that the investment strategies used by such Other Funds will be successful under all or any market conditions. A Fund's investment in Other Funds may be subject to withdrawal limitations that could prevent the Fund from terminating investments in Other Funds that are poorly performing or have otherwise had adverse changes. Investments in Other Funds also may result in the payment by a Fund directly or indirectly of management fees and carried interest or promote to third parties. Investments in Other Funds may result in the General Partner not having full control over the assets of a Fund, which lack of control represents a significant risk.

Private Equity. Private equity investments in which a Fund may invest involve a high degree of business and financial risk and can result in substantial or complete losses. Many portfolio companies may be operating at a loss or with substantial variations in operating results from period to period. These companies may need substantial additional capital to support expansion or to achieve or maintain competitive positions. These companies may face intense competition, including competition from companies with much greater financial resources, much more extensive development, production, marketing and service capabilities, and a much larger number of qualified managerial and technical personnel. Any such company may fail.

Additional Capital Needs. After a Fund makes an initial investment in a company, that company may require additional funding, or a Fund may have the opportunity to increase its investment in a successful company (if any are successful). For example, portfolio companies are subject to the risk that a proposed service or product cannot be developed successfully with the resources available to the enterprise. The development efforts of any company may fail, or may not be completed within the budget or time originally estimated. Additional funds may be necessary to complete such development, and such funds may not be available. A Fund may not make Follow-Up Investments. Any decision

by a Fund not to make Follow-Up Investments, or a Fund's inability to make them, may have substantial adverse effects on portfolio companies in need of such investment, may result in missed opportunities for the Fund to increase its participation in successful ventures, or may cause a decrease in the value of the Fund's portfolio.

Use of Leverage. A Fund may engage in trading on margin by borrowing funds and pledging securities as collateral, thereby utilizing leverage. Although leverage increases returns if a Fund earns 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 Fund fails to earn as much on such incremental investments as it pays for such funds. The effect of leverage in a declining market would also result in a greater decrease in the net asset value of a Fund than if the Fund were not so leveraged. If the assets, if any, used to secure the borrowing decrease in value, a Fund may be required to pledge additional collateral to the lender in the form of cash or securities to avoid liquidation of those assets. The Funds do not currently intend to use leverage other than non-recourse borrowings associated with specific transactions, although each Fund reserves the right to do so in the General Partner's sole discretion.

Credit Analysis and Credit Risk. The strategies utilized by Finepoint Capital require accurate and detailed credit analysis of issuers and there can be no assurance that its analysis will be accurate or complete. A Fund may be subject to substantial losses in the event of credit deterioration or bankruptcy of one or more issuers in its portfolio.

Sovereign Debt. Sovereign debt instruments, which are debt obligations issued or guaranteed by a foreign governmental entity, are subject to the risk that the governmental entity may delay or fail to pay interest or repay principal on debt that it has issued or guaranteed, due to, for example, cash flow problems, insufficient foreign currency reserves, political considerations, relationships with other lenders such as commercial banks, the relative size of the governmental entity's debt position in relation to the economy or the failure to put in place economic reforms required by the International Monetary Fund or other multilateral agencies. If a governmental entity defaults, it may ask for more time to pay or for further loans, or it may ask for forgiveness of interest or principal on its existing debt. Furthermore, a governmental entity may be unwilling to renegotiate the terms of its sovereign debt. There may be no established legal process for a U.S. bondholder (such as a Fund) to enforce its rights against a governmental entity that does not fulfill its obligations, nor are there bankruptcy proceedings through which all or part of the sovereign debt that a governmental entity has not repaid may be collected.

Risks of Investments in Options. A Fund may invest, from time to time, in options. Investing in options can provide greater potential for profit or loss than an equivalent investment in the underlying asset. The value of an option may decline because of a change in the value of the underlying asset relative to the strike price, the passage of time, changes in the market's perception as to the future price behavior of the underlying asset, or any combination thereof. In the case of the purchase of an option, the risk of loss of an investor's entire investment (*i.e.*, the premium paid plus transaction charges) reflects the nature of an option as a wasting asset that may become worthless when the option expires. Where an option is written or granted (*i.e.*, sold) uncovered, the seller may be liable to pay substantial additional margin, and the risk of loss is unlimited, as the seller will be obligated to deliver, or take delivery of, an asset at a predetermined price which may, upon exercise of the option, be significantly different from the market value. Over-the-counter ("OTC") options that a Fund may use in its investment strategies generally are not assignable except by agreement between the parties concerned, and no party or purchaser has any obligation to permit such assignments. The OTC market for options is relatively illiquid, particularly for relatively small transactions.

Put and Call Options. A Fund may purchase exchange-listed and OTC put and call options. In addition, a Fund may write and sell covered or uncovered call and put option contracts. A call option gives the purchaser of the option the right to buy, and obligates the writer to sell, the underlying investments at a stated exercise price at any time prior to the expiration of the option. Similarly, a put option gives the purchaser of the option the right to sell, and obligates the writer to buy, the underlying investments at a stated exercise price at any time prior to the expiration of the option. Options written by a Fund may be wholly or partially covered (meaning that the Fund holds an offsetting position) or uncovered. Options on specific investments may be used by a Fund to seek enhanced profits with respect to a particular investment. Alternatively, they may be used for various defensive or hedging purposes. Use of put and call options may result in losses to a Fund, force the sale or purchase of portfolio investments at inopportune times or for prices higher than (in the case of put options) or lower than (in the case of call options) current market values, limit the amount of appreciation a Fund can realize on their investments or cause a Fund to hold an investment it might otherwise sell. An adverse price movement may result in unanticipated losses with respect to covered options sold by a Fund. The use of uncovered option writing techniques may entail greater risks of potential loss to a Fund than other forms of options transactions. For example, a rise in the market price of the underlying investment will result in a Fund realizing a loss on the calls written, which would not be offset by the increase in the value of the underlying investments to the extent the call option position was uncovered.

Single Stock Futures. A single stock futures contract is an agreement to buy or sell shares of a specific stock at a specified price on a designated date in the future. Investments in single stock futures involve a substantial degree of risk. The market for single stock futures is relatively new to the United States. Therefore, the size of the market for single stock futures is yet unknown. There is no assurance that a liquid secondary market will exist for single stock futures contracts purchased or sold, and a Fund may be required to maintain a position until exercise or expiration, which could result in losses. Furthermore, margin for single stock futures contracts is typically low relative to the value of the futures contracts purchased or sold. Low margin requirements mean that a relatively small price movement in a single stock futures contract may result in immediate and substantial losses to the investor.

Hedging. A Fund may utilize certain financial instruments and investment techniques for risk management or hedging purposes. There is no assurance that such risk management and hedging strategies will be successful, as such success will depend on, among other factors, Finepoint Capital's ability to predict the future correlation, if any, between the performance of the instruments utilized for hedging purposes and the performance of the investments being hedged. Since the characteristics of many securities change as markets change or time passes, the success of a Fund's hedging strategies may also be subject to Finepoint Capital's ability to correctly readjust and execute hedges in an efficient and timely manner. There is also a risk that such correlation will change over time rendering the hedge ineffective. It may be more difficult to hedge a position in a smaller cap issuer than a larger-cap issuer. A Fund's portfolio is not expected to be completely hedged at all times and at various times Finepoint Capital may elect to be more fully hedged and at other times hedged only to a limited extent, if at all. Accordingly, a Fund's assets may not be adequately protected from market volatility and other conditions.

Swap Transactions and Credit Default Swaps. A Fund may enter into swap agreements with respect to securities, indexes of securities and other assets or other measures of risk or return. Swap agreements are typically two-party contracts entered into primarily by institutional investors for periods ranging from a few weeks to many years. In a standard "swap" transaction, two parties agree to exchange the returns (or the differential in rates of return) earned or realized on particular predetermined investments, instruments, or indices. The gross returns to be exchanged or "swapped" between the parties are generally calculated with respect to a "notional amount". Whether a Fund's use of swap agreements will be successful will depend on Finepoint Capital's ability to select appropriate transactions for the Fund. Swap transactions may be highly illiquid. Moreover, a Fund bears the risk of loss of the

amount expected to be received under a swap agreement in the event of the default or insolvency of its counterparty. Many swap markets are relatively new and still developing. It is possible that developments in the swap markets, including potential government regulation, could adversely affect a Fund's ability to terminate existing swap transactions or to realize amounts to be received under such transactions. Swaps and certain other custom instruments are subject to the risk of non-performance by the swap counterparty, including risks relating to the creditworthiness of the swap counterparty.

Forward Trading. Forward contracts and options thereon, unlike futures contracts, are not traded on exchanges and are not standardized; rather, banks and dealers act as principals in these markets, negotiating each transaction on an individual basis. Forward and "cash" trading is substantially unregulated; there is no limitation on daily price movements, and speculative position limits are not applicable. For example, there are no requirements with respect to record keeping, financial responsibility or segregation of customer funds or positions. In contrast to exchange-traded futures contracts, interbank traded instruments rely on the dealer or contracting counterparty to fulfill its contract. As a result, trading in interbank foreign exchange contracts may be subject to more risks than futures or options trading on regulated exchanges, including, but not limited to, the risk of default due to the failure of a counterparty with which a Fund has forward contracts. Although Finepoint Capital seeks to trade with responsible counterparties, failure by a counterparty to fulfill its contractual obligation could expose a Fund to unanticipated losses. The principals who deal in the forward markets are not required to continue to make markets in the currencies or commodities they trade and these markets can experience periods of illiquidity, sometimes of significant duration. There have been periods during which certain participants in these markets have refused to quote prices with an unusually wide spread between the price at which they were prepared to buy and that at which they were prepared to sell. Disruptions can occur in any currency market traded by a Fund due to unusually high trading volume, political intervention or other factors. The imposition of controls by governmental authorities might also limit such forward trading to less than that which Finepoint Capital would otherwise recommend, to the possible detriment of a Fund. Market illiquidity or disruption could result in significant losses to a Fund.

Other Derivative Investments. Derivative instruments or "derivatives" include futures, options, structured securities and other instruments and contracts that are derived from, or the value of which is related to, one or more underlying securities, financial benchmarks, currencies or indices. Derivatives allow an investor to hedge or speculate upon the price movements of a particular security, financial benchmark currency or index at a fraction of the cost of investing in the underlying asset. The value of a derivative depends largely upon price movements in the underlying asset. Therefore, many of the risks applicable to trading the underlying asset are also applicable to derivatives of such asset. However, there are a number of other risks associated with derivatives trading. For example, because many derivatives are leveraged, and thus provide significantly more market exposure than the money paid or deposited when the transaction is entered into, a relatively small adverse market movement may expose a Fund to the possibility of a loss exceeding the original amount invested. Derivatives may also expose investors to liquidity risk, as there may not be a liquid market within which to close or dispose of outstanding derivatives contracts. Swaps and certain options and other custom instruments are subject to the risk of non-performance by the swap counterparty, including risks relating to the creditworthiness of the swap counterparty.

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. Once the price of a contract for a particular future has increased or decreased by an amount equal to the daily limit, positions in the future can neither be taken nor liquidated unless traders are willing to effect trades at or within the limit. This could prevent Finepoint Capital from promptly liquidating unfavorable positions and subject a Fund to substantial losses.

Convertible Securities and Investments in Equity-Related Convertible Securities. A Fund may invest a portion of its capital in convertible securities and equity-related convertible securities. 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 influenced 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. 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 a Fund is called for redemption, the Fund will be required, depending on the terms of the security, 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 a Fund's ability to meet its investment objective.

Structured Investments. A Fund may invest in entities organized and operated solely for the purpose of restructuring the investment characteristics of other debt securities, including debt securities issued by foreign governments. These investments will typically consist of equity or subordinated debt securities issued by a private investment fund that invests, on a leveraged basis, in other debt securities or bank loans directly or through total rate of return swaps or other credit derivatives. A Fund's investments in structured products will be subject to a number of risks, including risks related to the fact that the structured products will be leveraged. Utilization of leverage is a speculative investment technique and will generally magnify the opportunities for gain and risk of loss borne by an investor in the equity or subordinated debt securities issued by a structured product. Many structured products contain covenants designed to protect the providers of debt financing to such structured products. A failure to satisfy those covenants could result in the untimely liquidation of the structured product and a complete loss of a Fund's investment therein. In addition, if the particular structured product is invested in a security in which a Fund is also invested, this would tend to increase the Fund's overall exposure to the credit of the issuer of such securities, at least on an absolute, if not on a relative, basis.

The value of an investment in a structured product will depend primarily on the investment performance of the assets in which the structured product invests and will therefore be subject to all of the risks associated with an investment in those assets. These risks include the possibility of a default by, or bankruptcy of, the issuers of such assets or a claim that the pledging of collateral to secure any such asset constituted a fraudulent conveyance or preferential transfer that can be subordinated to the rights of other credits of the issuer of such asset or nullified under applicable law. A Fund will not own such assets directly and will therefore not benefit from general rights applicable to the holders of assets, such as the right to indemnity and the rights of setoff, or have voting rights with respect to such assets, and in such cases, all decisions related to such assets, including whether to exercise certain remedies, will be controlled by the structured product. Furthermore, there are certain tax and market uncertainties that present risks relating to investing in structured products.

Dark Pools and Other Private Trading Venues. Finepoint Capital, on behalf of each Fund, may utilize so-called "dark pools" and other private trading venues to execute trades of securities. In a dark pool, buyers and sellers do not reveal their identities and often reveal very little, if anything, about their order sizes, as opposed to a traditional exchange, like the NYSE Euronext, where orders are

transparent. There are a number of different types of non-displayed liquidity providers, including electronic communications networks (“ECNs”), broker-sponsored dark pools, crossing networks and broker-led consortium dark pools. Dark pools and other anonymous venues may provide price improvement and the ability to protect trade orders from others in the market that would take advantage of information revealed during a trade. Dark pools and other private trading venues generally look to traditional exchanges to get their pricing information. However, if more and more trades are conducted through dark pools and other private trading venues, the prices used in dark pool trades might not be as reliable and up-to-date as they should be. Moreover, the use of dark pools means that firms cannot take advantage of changes in prices because the market cannot react immediately to transactions occurring in dark pools. Furthermore, different entities in a dark pool cannot see each other and therefore do not have a sense of what each other's strategies and motives are. In addition, the prices charged by dark pools and crossing networks can be complex and may be higher than those charged by traditional exchanges. The prices charged by dark pools and independently operated crossing networks also may cover execution only and not investment research and other services and may also be used to fund contributions to commission-sharing arrangements.

Position Limits. “Position limits” imposed by various regulators may limit a Fund’s ability to effect desired trades. Position limits are the maximum amounts of gross, 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 a Fund does not intend to exceed applicable position limits, it is possible that different accounts managed by Finepoint Capital may be aggregated. If at any time positions managed by Finepoint Capital were to exceed applicable position limits, Finepoint Capital would be required to liquidate positions, which might include positions of a Fund, to the extent necessary to come within those limits. Further, to avoid exceeding the position limits, a Fund might have to forego or modify certain of its contemplated trades.

Purchasing Securities of Initial Public Offering. From time to time a Fund may purchase securities that are part of initial public offerings. The prices of these securities may be very volatile. The issuers of these securities may be undercapitalized, have a limited operating history, and lack revenues or operating income without any prospects of achieving them in the near future. Some of these issuers may only make available a limited number of shares for trading and therefore it may be difficult for a Fund to trade these securities without unfavorably impacting their prices. In addition, investors may lack extensive knowledge of the issuers of these securities. A Fund may invest in securities that are “new issues,” as defined in Financial Industry Regulatory Authority (“FINRA”) Rules 5130 and 5131. FINRA Rule 5130 and FINRA Rule 5131 restrict certain persons from participating in “new issues.”

Portfolio Liquidity and Transfer Restrictions (PIPEs and Similar Investments). A Fund may invest its assets in so-called “PIPE” transactions, in which a private purchase of common stock or a security convertible into common stock is anticipated to be followed shortly by a registered public offering of such common stock, or of common stock of the same class. As securities sold in a PIPE transaction will generally be restricted only for the period from the private sale until the issuer’s registration statement with the SEC covering resale of such securities becomes effective, a Fund may pay more for such securities than for other private placement securities. If the issuer is unable to obtain an effective resale registration statement for a PIPE, the PIPE will remain restricted under U.S. securities laws (subject to the availability of some other exemption) and a Fund may be unable to recover from the issuer an amount sufficient to compensate the Fund for the loss of liquidity of such security.

Equity Securities of Growth Companies. A portion of each Fund’s assets may be invested in equity securities of companies that Finepoint Capital believes have potential for capital appreciation

significantly greater than that of the market averages, so-called “growth” companies. The market capitalization of the growth companies in which a Fund will invest may range from small to large capitalizations. Growth stocks are generally more sensitive to market movements than other types of stocks, primarily because their stock prices are based heavily on future expectations. Securities of growth companies may be traded in the OTC markets. While OTC markets have grown rapidly in recent years, many OTC securities trade less frequently and in smaller volume than exchange-listed securities. The values of these securities may fluctuate more sharply than exchange-listed securities, and a Fund may experience some difficulty in acquiring or disposing of positions in these securities at prevailing market prices.

Preferred Shares. A Fund may invest in the preferred shares of certain companies. Preferred shares may pay dividends at a specific rate and generally have preference over common stock in the payment of dividends in a liquidation of assets but rank after debt securities. Unlike interest payments on debt securities, dividends on preferred shares are generally payable at the discretion of the board of directors of the issuer. The market prices of preferred shares are subject to changes in interest rates and are more sensitive to changes in the issuer’s creditworthiness than are the prices of debt securities.

Investment in Public and Private Small Companies. There is no limitation on the size or operating experience of the companies in which a Fund may invest. Some small companies, whether publicly traded or privately owned, in which a Fund may 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. 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.

Foreign Securities. A Fund may invest in securities of non-U.S. issuers. A Fund’s investments in securities and instruments in foreign markets involve substantial risks not typically associated with investments in U.S. securities. Foreign securities investments may be affected by changes in currency rates or exchange control regulations, changes in governmental administration or economic or monetary policy (in the United States and abroad) or changed circumstances in dealings between nations. Changes in foreign currency exchange rates relative to the U.S. dollar will affect the U.S. dollar value of a Fund’s assets denominated in that currency and thereby impact the Fund’s total return on such assets. A Fund may utilize options and forward contracts to hedge against currency fluctuations, but there can be no assurance that such hedging transactions will be effective.

Investments in foreign securities will also occasion risks relating to political and economic developments abroad, including the possibility of expropriations or confiscatory taxation, limitations on the use or transfer of Fund assets and any effects of foreign social, economic or political instability. Foreign companies are not subject to the regulatory requirements of U.S. companies and, as such, there may be less publicly available information about such companies. Moreover, foreign companies are not subject to uniform accounting, auditing and financial reporting standards and requirements comparable to those applicable to U.S. companies. Finally, in the event of a default of any foreign debt obligations, it may be more difficult for a Fund to obtain or enforce a judgment against the issuers of such securities.

Securities of foreign issuers may be less liquid than comparable securities of U.S. issuers and, as such, their price changes may be more volatile. Furthermore, foreign exchanges and broker-dealers are generally subject to less government and exchange scrutiny and regulation than their American counterparts. Brokerage commissions, dealer concessions and other transaction costs may be higher in foreign markets than in the U.S. Differences in clearance and settlement procedures in foreign markets may occasion delays in settlements of a Fund’s trades affected in such markets.

In addition, changes or modifications in existing judicial decisions or in the current positions of the IRS, either taken administratively or as contained in published revenue rulings and revenue procedures (which changes or modifications may apply with retroactive effect), and the passage of new legislation, could lead to unfavorable treatment of certain non-U.S. investments which could adversely impact a Fund's portfolio.

Emerging Market Securities. There are substantial risks involved in investing in companies located in underdeveloped or developing countries, which are sometimes referred to as "emerging markets." These risks are in addition to the usual risks inherent in foreign investments described above. Because of greater risks of adverse political developments, the lack of effective legal structures and difficulties effecting securities transfers and settlements, a Fund risks the loss of its entire investment when investing in companies located in certain emerging markets. Generally, emerging market debt securities are not required to meet any rating standards and may not be rated for creditworthiness by any internationally recognized credit rating organization. Emerging market debt securities rated in the lower and lowest rating categories of internationally recognized credit rating organizations and unrated securities of comparable quality are predominantly speculative with respect to the capacity to pay interest and repay principal in accordance with their terms and generally involve a greater risk of default and volatility in price than securities in higher rating categories.

American Depositary Securities & Receipts. In certain instances, rather than directly holding securities of non-U.S. companies, a Fund may hold these securities through an American Depositary Receipt (an "ADR"). An ADR is issued by a U.S. bank or trust company to evidence its ownership of securities of a non-U.S. company. The currency of an ADR may be U.S. dollars rather than the currency of the non-U.S. company to which it relates. The value of an ADR will not be equal to the value of the underlying non-U.S. securities to which the ADR relates as a result of a number of factors. These factors include the fees and expenses associated with holding an ADR, the currency exchange relating to the conversion of foreign dividends and other foreign cash distributions into U.S. dollars, and tax considerations such as withholding tax and different tax rates between the jurisdictions. In addition, the rights of a Fund, as a holder of an ADR, may be different than the rights of holders of the underlying securities to which the ADR relates, and the market for an ADR may be less liquid than that of the underlying securities. The foreign exchange risk will also affect the value of the ADR and, as a consequence, the performance of the investor holding the ADR.

Repurchase and Reverse Repurchase Agreements. A Fund may enter into repurchase and reverse repurchase agreements. When a Fund enters into a repurchase agreement, the Fund "sells" securities issued by the U.S. or a non-U.S. government, or agencies thereof, to a broker-dealer or financial institution, and agree to repurchase such securities for the price paid by the broker-dealer or financial institution, plus interest at a negotiated rate. In a reverse repurchase transaction, a Fund "buys" securities issued by the U.S. or a non-U.S. government, or agencies thereof, from a broker-dealer or financial institution, subject to the obligation of the broker-dealer or financial institution to repurchase such securities at the price paid by the Fund, plus interest at a negotiated rate. The use of repurchase and reverse repurchase agreements by a Fund involves certain risks including that the seller under a reverse repurchase agreement defaults on its obligation to repurchase the underlying securities. Disposing of the security in such cases may involve costs to a Fund.

Exchange Rate Fluctuations - Currency Considerations. A Fund may invest in securities denominated in currencies other than the U.S. dollar or hold active currency positions that are denominated in currencies other than the U.S. dollar and as a result, may be exposed to currency exchange risk. Changes in exchange rates between currencies or the conversion from one currency to another may cause the value of a Fund's investments to diminish or increase. Currency exchange rates may fluctuate

over short periods of time and are generally determined by supply and demand in the currency exchange markets and the relative merits of investments in different countries, actual or perceived changes in interest rates and other complex factors. Currency exchange rates can be affected unpredictably by intervention (or the failure to intervene) by governments or central banks, or by currency controls or political developments. Furthermore, a Fund may incur costs in connection with conversions between various currencies. It is anticipated that most of a Fund's currency exchange transactions will occur at the time securities are purchased and will be executed through the local broker or custodian acting for each Fund.

General Real Estate Risks. A Fund may invest in real estate. Real estate investments generally will be subject to the risks incident to the ownership and operation of real estate and/or risks incident to the making of nonrecourse mortgage loans secured by real estate, including (i) risks associated with both the domestic and international general economic climate; (ii) local real estate conditions; (iii) risks due to dependence on cash flow; (iv) risks and operating problems arising out of the absence of certain construction materials; (v) changes in supply of, or demand for, competing properties in an area (as a result, for instance, of over-building); (vi) the financial condition of tenants, buyers and sellers of properties; (vii) changes in availability of debt financing; (viii) energy and supply shortages; (ix) changes in the tax, real estate, environmental and zoning laws and regulations; (x) various uninsured or uninsurable risks; (xi) natural disasters; and (xii) the ability of a Fund or third-party borrowers to manage the real properties. There is no assurance that there will be a ready market for resale of investments because investments in real estate generally are not liquid.

Investing in REITs and Other Real Estate Securities. A Fund may invest in securities issued by entities which qualify as "real estate investment trusts" ("REITs") under the Code, and in securities of development and management companies. As a result, some of the Fund's investments are subject to the risks incident to investments in REITs and companies engaged in real estate activities, generally including: (i) potential environmental liabilities, the risk of uninsured losses, the perceptions of prospective tenants of the safety, convenience and attractiveness of the properties, the ability of the owner to provide adequate management, maintenance and insurance, the expenses of periodically renovating, repairing and re-letting spaces, and increasing operating costs (including mortgage payments, real estate taxes, insurance, maintenance costs and utilities) which may not be passed through to tenants; (ii) risks of owning properties through joint ventures or partnerships which may render a REIT or a company engaged in real estate activities unable to exercise sole decision-making authority and subject the REIT or other company to the risk that a joint venturer or partner will act in a manner contrary to its best interests; (iii) general real estate investment considerations, such as the effect of local economic and other conditions on property cash flows and values, the need to re-let space upon the expiration of current leases, dependence on major tenants and the possibility of tenant defaults, the ability of a property to generate revenue sufficient to meet debt service payments and other operating expenses, periodic excessive real estate development, and the illiquidity of real estate investments, all of which may affect the REIT's or other company's ability to make expected distributions to its stockholders; (iv) possible increases in interest rates, which may lead prospective purchasers of real estate equity securities, as well as other classes of equities, to demand higher annual yields, and which would adversely affect the market price of such securities; (v) borrowing risks; (vi) relative illiquidity of real estate investments which will tend to limit the ability of a REIT or non-REIT issuer to vary its holdings promptly in response to changes in local economic or other conditions; and (vii) risks associated with the management by REITs of properties owned by third parties, including the risk that management contracts (which are typically cancelable without notice) will be terminated by the entity controlling the property or in connection with the sale of such property, that contracts may not be renewed upon expiration or may not be renewed on terms consistent with current terms, and that the rental revenues upon which management fees are based will decline as a result of general real estate market conditions or specific market factors. Investments in REITs are also subject to special risks, including, without limitation: (i) restrictions on ownership (which may prohibit ownership of more than 9.9% of a REIT's shares by one investor), which are designed to ensure that the REIT does not violate certain share

accumulation restrictions imposed by federal tax laws on REITs and which may also deter possible acquisitions of, or changes in control of, a REIT; (ii) many REITs have small-to-medium sized market capitalizations which may be more volatile than prices of large-capitalization securities and an investment in such securities may be less liquid; and (iii) tax risks, including risk of changes in the tax laws that may cause a REIT to fail to qualify as a REIT or cause REITs, generally, to be subject to corporate taxation.

Exchange Traded Funds. A Fund may invest in and sell short shares of exchange traded funds (“ETFs”) and other similar instruments. These transactions may be used to adjust a Fund’s exposure to the general market or industry sectors and to manage the Fund’s risk exposure. ETFs and other similar instruments involve risks generally associated with investments in a broadly based portfolio of common stocks, including the risk that the general level of stock prices, or that the prices of stocks within a particular sector, may increase or decrease, thereby affecting the value of the shares of the ETF or other instruments.

Closed End Funds. A Fund may invest in closed end investment funds whose shares may trade at a premium or discount to their net asset value. Closed end funds differ from open end investment funds in that holders of interests in a closed end fund do not have the right to redeem their interests on a daily basis at a price based on net asset value. A Fund will generally not have any control over the investments made by closed end funds and will generally only have limited access to information about the closed end funds and their investments. The closed end funds often trade independently of each other and, at times, may hold economically offsetting positions. At times closed end funds may make in kind distributions which could result in a Fund owning securities that were in the closed end fund’s portfolio. These securities may be illiquid and may take considerable time to sell. If a fund is converted to open end status, there may be fees for withdrawal. These fees often decline over time; consequently a Fund may hold shares in an open end fund. Publicly traded investment funds frequently have anti-takeover provisions that make it difficult to convert them to open end funds, which would allow the fund’s shareholders to realize the full value of that fund’s assets.

Money Market Instruments. Finepoint Capital may invest all or a portion of a Fund’s assets in high quality fixed-income securities, money-market instruments, and foreign money-market mutual funds, or hold cash or cash equivalents in such amounts as Finepoint Capital deems appropriate under the circumstances. Money market instruments are high quality, short-term fixed-income obligations, which generally have remaining maturities of one year or less, and may include U.S. government securities, commercial paper, certificates of deposit and bankers’ acceptances issued by domestic branches of United States banks that are members of the Federal Deposit Insurance Corporation, and repurchase agreements. However, there can be no assurances that such investments will not be subject to significant risks.

Risks of Index-Linked Securities. A Fund may invest in index-linked securities whose prices are indexed to the prices of securities indices, currencies, or other financial statistics. Indexed securities typically are debt securities or deposits whose value at maturity and/or coupon rate is determined by reference to a specific instrument or statistic. The performance of indexed securities fluctuates (either directly or inversely, depending upon the instrument) with the performance of the index, security or currency. At the same time, indexed securities are subject to the credit risks associated with the issuer of the security, and their value may substantially decline if the issuer’s creditworthiness deteriorates. Recent issuers of indexed securities have included banks, corporations and certain US government agencies.

Counterparty Risk. Some of the markets in which a Fund may effect transactions are OTC 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 a Fund 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 a Fund to suffer a loss. Such “counterparty risk” is accentuated for contracts with longer maturities where events may intervene to prevent settlement, or where the Fund has concentrated its transactions with a single or small group of counterparties. Counterparties in foreign markets face increased risks, including the risk of being taken over by the government or becoming bankrupt in countries with limited if any rights for creditors. A Fund is not restricted from concentrating any or all of its transactions with one counterparty. The ability of a Fund to transact business with any one or number of counterparties and the absence of a regulated market to facilitate settlement may increase the potential for losses by the Fund. Counterparty risks also include the failure of executing brokers to honor, execute, or settle trades.

Pursuant to the Dodd-Frank Act (as defined below), some derivatives transactions will be subject to mandatory clearing and will also be subject to the margin requirements set forth by the clearinghouse. The additional margin, capital and collateral obligations may increase the cost of derivatives transactions and thereby potentially decrease the profitability of certain positions.

Item 9: Disciplinary Information

Finepoint Capital is not aware of any legal or disciplinary events that are material to a client's or prospective client's evaluation of Finepoint Capital's advisory business or the integrity of Finepoint Capital's management.

Item 10: Other Financial Industry Activities and Affiliations

The General Partner has claimed an exemption from registration as a commodity pool operator in respect of each Fund, pursuant to Rule 4.13(A)(3), and Finepoint Capital has claimed an exemption from registration as a commodity trading advisor in respect of each Fund, pursuant to Rule 4.14(A)(8), each under the Commodity Exchange Act, as amended.

None of Finepoint Capital, its partners or employees (the “Employees”) are registered, nor do any of the foregoing have any application pending to register, with the SEC as a broker-dealer or a registered representative of a broker-dealer.

The General Partner is an affiliate of Finepoint Capital and serves as general partner to each of the Funds. For a description of material conflicts of interest created by the relationship among Finepoint Capital and the General Partner, as well as a description of how such conflicts are addressed, please see Item 11 below.

Finepoint Capital currently has not selected any other investment advisers for the Funds. However, Finepoint Capital, in the future, may select other third party investment advisers to manage a portion of the Funds' assets or may invest in partnerships or joint ventures with other investment advisers, but any such selections will not result in the payment on a net basis of additional management fees, carried interests or performance allocations by the Funds.

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

Pursuant to Rule 204A-1 of the Advisers Act, Finepoint Capital has adopted a written code of ethics (the “Code of Ethics”) for all employees and partners which, among other things, governs personal securities transactions of all employees and addresses certain conflicts of interest.

Employees are generally prohibited from personal trading, but investment in certain asset classes is permitted. Employees may invest in broad-based exchange traded funds (“ETFs”), money market funds, open-end mutual funds, interests in 529 college savings plans and securities of the United States government. Employees may also invest in the Funds, subject to eligibility requirements. Exceptions to this policy require the approval of the Chief Compliance Officer and the Principal and are expected to be given in limited circumstances when the Chief Compliance Officer and Principal believe that conflicts, business and regulatory risks do not exist or are appropriately mitigated.

A full copy of the Code of Ethics will be made available to investors upon written request.

Conflicts of Interest

There are certain actual and potential conflicts of interest that should be considered by prospective investors before subscribing for interests in the Funds. The General Partner, Finepoint Capital, and their respective principals, managers, members, partners, affiliates and employees, will provide investment management and advisory services to each of the Funds and, if applicable, an offshore investment fund and a master fund (collectively, the “Finepoint Capital Funds”), and will also provide investment management and advisory services to any co-investment vehicles.

Transactions with Affiliates. If permitted under applicable law, Finepoint Capital may, on behalf of a Fund, for liquidity, portfolio rebalancing, trade allocation or other reasons, purchase investments from, sell investments to or enter into agreements with any other Finepoint Capital Fund, or the other accounts managed by Finepoint Capital (*i.e.*, “cross transactions”). The terms of any such cross transactions will be commercially reasonable and will not be materially less favorable to the Fund than those available in the market. Finepoint Capital will receive no special fees or other compensation in connection with cross transactions. Expenses incurred in a cross transaction will be allocated equitably in the sole discretion of Finepoint Capital between a Fund and the other parties to the cross transaction. Similarly, if a transaction is cancelled, any costs incurred will be allocated equitably in the sole discretion of Finepoint Capital between a Fund and the other parties to the cross transaction. Finepoint Capital has adopted a Trade Allocation Policy that requires allocations of orders among the Funds be made in a manner that Finepoint Capital believes is fair and equitable over time. As a general rule, allocations of purchases by the Funds are made pro rata based on each Fund’s most recent month-end NAV adjusted for available buying capacity, subject to and modified by other considerations in limited circumstances, such as tax implications. To the extent any allocations are made to the Funds on a non-pro rata basis, the Principal would review and the Chief Compliance Officer would record the reason for such non-pro rata allocation.

Other Activities. The Finepoint Capital Funds will pursue the same investment objective and strategies and will generally invest, subject to tax, legal or other considerations, *pari passu* with each other. However, the investments by such Finepoint Capital Funds are not required to be the same, and, as a result, the performance of these entities may diverge over time. In addition, any co-investment vehicles may participate with one or more Finepoint Capital Funds in certain investments. The securities to be purchased or sold by the Finepoint Capital Funds (and any applicable co-investment vehicles) may be aggregated in order to obtain superior execution and/or lower brokerage expenses. Execution prices for identical securities purchased or sold on behalf of multiple accounts in any one day may be (but are not required to be) averaged. In such instances, allocation of prices, as well as expenses incurred in the transaction, will be made in a manner that Finepoint Capital considers to be equitable given the circumstances. In addition, one or more Finepoint Capital Funds may jointly invest (or invest

with other accounts managed by Finepoint Capital) in special purpose investment vehicles established to hold certain securities.

The General Partner, Finepoint Capital, and their respective principals, managers, members, partners, affiliates and employees, may, in the future, engage in other activities, including providing investment management and advisory services to other accounts, and such persons are not required to refrain from any activity, to disgorge profits from any such activity or to devote all or any particular amount of time or effort to any Finepoint Capital Fund. Finepoint Capital and its respective members, principals, managers, officers and employees will devote as much of their time to the activities of each Fund as Finepoint Capital deems necessary and appropriate.

Due to its investment strategy and research activities, Finepoint Capital may not be able to take actions that might benefit any one Fund because of confidential information it acquires or obligations it incurs in connection with its activities. For example, principals, managers, members, partners, affiliates or employees of Finepoint Capital (or its affiliates) may serve on creditors' committees and/or the board of directors of one or more publicly or privately traded companies, including, but not limited to, companies in which a Finepoint Capital Fund or co-investment vehicle has invested or otherwise might invest. In addition, Finepoint Capital may have a conflict of interest in rendering advice to a client because the financial benefit from managing some other client's account may be greater (*e.g.*, in the event that such account generates higher fees or allocations or has a larger portion of its capital attributable to Finepoint Capital or its affiliates), which may provide an incentive to favor such other account.

In addition, from time to time, representatives of Finepoint Capital may speak at conferences and programs for investors interested in investing in hedge funds that are sponsored by prime brokers. These conferences and programs may provide opportunities by which Finepoint Capital is introduced to potential investors in any Fund and other investment vehicles it manages. Generally, prime brokers are not compensated by Finepoint Capital, a Fund, or potential investors for providing such "capital introduction" opportunities. In addition, prime brokers may provide financing and other services to a Fund and Finepoint Capital. Consequently, such additional services by a prime broker may influence Finepoint Capital in deciding whether to use the services of such prime broker in connection with the activities of a Fund.

Personal Trading. The principals, managers, members, partners, affiliates and employees of Finepoint Capital will be subject to a Code of Ethics. Under such Code of Ethics, personal trading will only be allowed in certain specified asset classes (*i.e.*, money market funds, mutual funds, broad based exchange traded funds, and treasury bills). Other personal trading transactions are generally prohibited, provided that personnel will be permitted to sell their existing holdings if the transaction is pre-cleared by the Chief Compliance Officer and the Principal of Finepoint Capital. As a result, positions in these asset classes (and/or sales of pre-cleared securities) may be taken by personnel of Finepoint Capital that are the same as, different from, or made at a different times than, positions taken for any Fund.

Item 12: Brokerage Practices

Finepoint Capital is responsible for selecting broker-dealers to execute trades and negotiating any commissions paid on such transactions. Finepoint Capital's primary consideration in placing transactions with particular broker-dealers is to obtain execution in the most effective manner possible.

In general, Finepoint Capital seeks to effect transactions for the Funds in such a manner that the total cost or proceeds to the Funds of each transaction is the most favorable under the circumstances. It is important

to note that best execution is a qualitative standard; it is not measured solely by reference to commission rates or price. Paying a broker a higher commission rate than rates charged by other brokers is appropriate when the difference in commission rate is reasonably justified by the value of brokerage services obtained for the Funds. In selecting brokers to execute trades for the Funds, Finepoint Capital may consider the full range and quality of each broker's services. Factors Finepoint Capital may consider include, among others:

- Financial strength, integrity and stability of the broker-dealer
- Trading expertise and experience, including the ability to minimize total trading costs and trade without impacting the market where possible
- Execution capabilities, such as adequate infrastructure for order entry, clearing and settlement, and knowledge and resources to address any complexities particular to the type of security, the market in which it trades or the size of transaction
- Commissions to be paid
- Value of research or brokerage services provided, including the quality, comprehensiveness and frequency of proprietary research and the ability of the broker to provide access to industry specialists
- Responsiveness, promptness, reliability, and overall quality of the relationship, including attentiveness to our interests, consistency of personnel, willingness to address problems and history of dealing with us fairly and honestly
- Administrative resources, operational efficiency

Finepoint Capital's Trader and Principal select the brokers for trade execution on a transaction-by-transaction basis and evaluate both the qualitative and quantitative aspects of their execution services firsthand. On a quarterly basis, the Trader prepares reports that summarize the quarterly transactions at the broker level, and ranks the brokers with whom Finepoint Capital executed the most transactions during the preceding quarter. These reports are reviewed by the Operations Committee to gauge whether significant concentrations or unusual trends exist. In addition, at least annually, the Operations Committee will solicit feedback from the investment analysts to evaluate the quality and value of brokerage services provided by the brokers Finepoint Capital has used, such as research reports, discussions with sell-side analysts and industry specialists, industry conferences and meetings with management. Finepoint Capital does not engage in the practice of seeking or considering client referrals from broker-dealers or directed brokerage arrangements.

The securities to be purchased or sold by the Finepoint Capital Funds (and any applicable co-investment vehicles) may be aggregated in order to obtain superior execution and/or lower brokerage expenses. Execution prices for identical securities purchased or sold on behalf of multiple accounts in any one day may be (but are not required to be) averaged. In such instances, allocation of prices, as well as expenses incurred in the transaction, will be made in a manner that Finepoint Capital considers to be equitable given the circumstances.

Generally, the Funds do not intend to pay for research and other products and services with "soft" or commission dollars.

Item 13: Review of Accounts

The Funds' portfolios are reviewed on a continuous basis. Finepoint Capital's investment personnel, including investment analysts and the Principal, hold investment meetings to discuss investment ideas, investment strategies, economic developments, current events, and other issues related to current portfolio holdings and potential investment opportunities.

Finepoint Capital will provide each investor with the following reports in accordance with the terms of the applicable Fund's Governing Documents: (i) unaudited performance information and account statements on a monthly basis; (ii) annual audited financial reports; and (iii) annual tax information necessary to complete any applicable tax returns. In addition, Finepoint Capital will provide a quarterly letter to investors.

Item 14: Client Referrals and Other Compensation

Finepoint Capital does not directly or indirectly compensate any third party for client referrals.

Item 15: Custody

Finepoint Capital is deemed to have custody of the Funds' assets because of the authority that Finepoint Capital and/or its affiliated entities have over those assets. The Funds' financial statements are subject to an annual audit by an independent public accountant that is registered with, and subject to regular inspection by, the Public Company Accounting Oversight Board, and the audited financial statements are distributed to each investor. The audited financial statements are prepared in accordance with generally accepted accounting principles and distributed within 120 days of the Funds' fiscal year end.

Item 16: Investment Discretion

In accordance with the terms and conditions of the Funds' Governing Documents and subject to the direction and control of the Funds' General Partner, Finepoint Capital will generally have discretionary authority to determine, without obtaining specific consent from the Funds or its investors, the securities and the amounts to be bought or sold on behalf of the Funds, and to perform the day-to-day investment operations of the Funds.

Item 17: Voting Client Securities

In accordance with its fiduciary duty to clients and Rule 206(4)-6 of the Advisers Act, Finepoint Capital has adopted and implemented written policies and procedures governing the voting of client securities. The general policy is to vote proxy proposals, amendments, consents or resolutions in a prudent and diligent manner that will maximize the value of investors' assets. In certain cases, Finepoint Capital may determine that not voting is in the best interest of the Funds or otherwise appropriate. Investors may not direct Finepoint Capital's vote on behalf of the Funds.

Conflicts of interest may arise between the Funds on the one hand and Finepoint Capital and Employees on the other hand. At a minimum, the Employee responsible for instructing the vote by Finepoint Capital on behalf of the Funds will be required to disclose any personal interest or other conflict of interest it has with respect to such proxy. Any conflict of interest will be reviewed and resolved by the Principal, the Chief Financial Officer and the Chief Compliance Officer.

A copy of Finepoint Capital's proxy voting policies and procedures will be made available to investors upon written request.

Item 18: Financial Information

Item 18.A is not applicable to Finepoint Capital, as it does not require or solicit prepayment of fees six months or more in advance.

In response to Item 18.B, Finepoint Capital is not currently aware of any financial condition that is reasonably likely to impair its ability to meet its contractual commitments to the Funds.

Item 18.C is not applicable to Finepoint Capital, as it has not been subject to a bankruptcy petition during the past ten years.

Item 19: Requirements for State Registered Advisers

Item 19 is not applicable to Finepoint Capital as it is not registered with any State securities authority.