



Item 1 – Cover Page

ADV Part 2A and B: FIRM BROCHURE

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This brochure provides information about the qualifications and business practices of Silverpath Capital Management LLC (“Silverpath”). If you have any questions about the contents of this brochure, please contact us at (312) 930-3320 or kmcleod@silverpathcapital.com. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission (the “SEC”) or by any state securities authority.

Silverpath is a registered investment adviser. Registration of an investment adviser with the SEC does not imply a certain level of skill or training. The oral and written communications of an adviser provide you with information you can use to determine to hire or retain an adviser.

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

Item 2 – Material Changes

There have been no material changes to Silverpath's initial ADV, filed December 22, 2014.

Pursuant to SEC rules, Silverpath will provide a summary of material changes to its brochure within 120 days of the close of Silverpath's fiscal year. Silverpath may provide further disclosures about material changes as deemed necessary. Additionally, Silverpath will provide to clients a new brochure as necessary, without charge.

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Item 4 – Advisory Business

A. Describe your advisory firm, including how long you have been in business. Identify your principal owner(s).

Firm Description

Silverpath Capital Management LLC (“Silverpath” or the “Investment Manager”) is an investment management firm independently owned by Nicholas D. Tannura and Krista B. McLeod. The principals of the firm are committed to providing an environment that prioritizes client results and integrity, develops a focused expertise and investment strategy implemented by the highest quality investment professionals, and maintains significant alignment of interests between Silverpath and its clients. The structure of the organization and business model reflect the goal of providing the highest probability of achieving attractive total returns with low volatility and a return series with low correlation to traditional assets.

Silverpath Capital Management LLC, a Delaware LLC, serves as the investment manager for and provides discretionary investment advisory services to Silverpath Investment Partners LP (the “Onshore Fund”) and Silverpath Investors Ltd (the “Offshore Fund” and together, the “Feeder Funds”) as well as Silverpath Investments Ltd (the “Master Fund” and together, all of these are referred to as the “Funds”). Silverpath also provides investment management services to separately managed accounts (“Managed Accounts”). Silverpath refers to the Funds and the Managed Accounts, collectively, as “Client Accounts,” or more generally, with other potential clients, as “Clients.”

The Feeder Funds invest all of their respective assets into the Master Fund. The purpose of the Master Fund is to achieve certain administrative efficiencies and to offer terms suitable to the particular needs of various types of investors; the Master Fund has no limited partners other than the Onshore Fund, the Offshore Fund, and the Onshore Fund’s general partner, Silverpath Investment Management LLC, a Delaware limited liability company (the “General Partner”).

Where applicable, the discussion herein relating to activities of a Fund includes activities engaged in through the Master Fund and/or any other arrangement utilized by the applicable Fund for investments, financing arrangements or other transactions or businesses.

Silverpath was formed in September of 2012 and the Onshore Fund began receiving contributions in February of 2014.

Principal Owners/Ownership Structure

Silverpath and the General Partner are controlled by Nicholas D. Tannura & Krista B. McLeod (the “Principals”). The General Partner is a relying adviser deemed to be registered and subject to Silverpath’s compliance program.

Silverpath's owners and executive officers are also listed in its Form ADV Part 1, Schedules A and B.

B. Describe the types of advisory services you offer. If you hold yourself out as specializing in a particular type of advisory service, such as financial planning, quantitative analysis, or market timing, explain the nature of that service in greater detail. If you provide investment advice only with respect to limited types of investments, explain the type of investment advice you offer, and disclose that your advice is limited to those types of investments.

Pursuant to its investment management agreements with the Funds and Managed Accounts (the "IMAs"), Silverpath is responsible for each Fund's day-to-day management and has ultimate authority over all investment decisions, asset acquisitions and dispositions, distributions and Fund and Managed Account affairs, generally. This brochure refers to trading activities on behalf of the Funds, but as previously mentioned, all of the trading on behalf of the Feeder Funds occurs at the Master Fund level. Trading activities on behalf of the Managed Accounts is generally made on a *pari passu* basis, except as otherwise agreed upon in the IMAs.

The Funds and Managed Accounts seek to primarily capitalize on long and short positions in equity securities of real asset companies and businesses focused in real estate, infrastructure, energy, and natural resources.

Silverpath has full discretion in trading on behalf of the Funds and Managed Accounts. Such discretion is detailed in each Fund or Managed Account's IMA with Silverpath.

C. Explain whether (and, if so, how) you tailor your advisory services to the individual needs of clients. Explain whether clients may impose restrictions on investing in certain securities or types of securities.

The advisory services provided by Silverpath to the Funds and Managed Accounts are tailored to the investment objectives, investment strategy and investment restrictions, if any, as set forth in each vehicle's governing documents. Silverpath provides investment advice directly to the Funds and not to investors in the Funds individually; investment advice for Managed Accounts is provided directly to the Managed Account. Silverpath does not require, nor does it seek, approval from the Funds or Managed Accounts or the investors in the Funds or Managed Accounts with respect to its trading.

Accordingly, Silverpath does not tailor its advisory services to the individual needs of investors in the Funds and Managed Accounts, provided, however, that in order to comply with certain legal and regulatory requirements, there may be instances when a limited partner in a Fund may not participate in an investment by the Fund (such as with respect to "new issues") and appropriate measures will be taken by the respective Fund to comply with such laws and regulations. The Funds or Silverpath, however, may enter into side letters or similar agreements with certain investors that have the effect of establishing rights under, or altering or supplementing a Fund's

governing documents. Such rights include notification and disclosure rights, certain fee arrangements, transfer rights, and certain withdrawal or redemption rights, among others. Managed Accounts may also enter into similar agreements with Silverpath.

Silverpath will generally enter into side letters only with investors who make substantial commitments of capital. Side letter provisions are typically negotiated prior to investment.

D. If you participate in wrap fee programs by providing portfolio management services, (1) describe the differences, if any, between how you manage wrap fee accounts and how you manage other accounts, and (2) explain that you receive a portion of the wrap fee for your services.

Silverpath does not participate in wrap fee programs.

E. If you manage client assets, disclose the amount of client assets you manage on a discretionary basis and the amount of client assets you manage on a non-discretionary basis. Disclose the date “as of” which you calculated the amounts.

As of December 31, 2014, Silverpath manages \$60.8 million on a discretionary basis.

Item 5 – Fees and Compensation

A. Describe how you are compensated for your advisory services. Provide your fee schedule. Disclose whether the fees are negotiable.

Silverpath has established an early investor management fee for capital contributions made to the Feeder Funds on or prior to the date on which the Feeder Funds have received a combined \$100 million in capital contributions (the “Contribution Threshold”). In consideration for the investment management services provided to the Funds, the Master Fund pays to Silverpath (on behalf of each Feeder Fund) an annual management fee of 1% with respect to capital contributions made before the Contribution Threshold is exceeded and 1.5% for capital contributions received after the Contribution Threshold is exceeded, of the Master Fund’s net asset value (the “Management Fee”) attributable to each Feeder Fund (prorated for partial periods and calculated prior to the accrual of the Incentive Allocation, as defined and discussed in Item 6 below). The Fund will establish separate sub-accounts for the purpose of calculating different Management Fees for investors who subscribe for interests both before and after the Contribution Threshold is achieved. Management Fees are payable without regard to the overall success or income earned by a Fund. No separate Management Fee generally shall be paid by the Onshore and/or Offshore Fund.

Silverpath, in its sole discretion, may elect to reduce or waive the Management Fee with respect to any limited partner and/or shareholder, including Principals and employees of the Investment Manager or its affiliates. In such event, the amount of the Management Fee paid by the Master

Fund to the Investment Manager will be adjusted accordingly. The Principals or other employees of Silverpath may receive a portion of the Management Fees, Incentive Allocation, or other compensation received by Silverpath or the General Partner.

Managed Account clients may pay management and/or performance fees to Silverpath as negotiated and reflected in the IMA for the Managed Account.

B. Describe whether you deduct fees from clients' assets or bill clients for fees incurred. If clients may select either method, disclose this fact. Explain how often you bill clients or deduct your fees.

The Master Fund deducts Management Fees from the capital account of each investor in the Onshore Fund and from the Shares of each investor in the Offshore Fund on a monthly basis.

Managed Account clients can choose to have their fees deducted from their assets or to be billed.

C. Describe any other types of fees or expenses clients may pay in connection with your advisory services, such as custodian fees or mutual fund expenses. Disclose that clients will incur brokerage and other transaction costs, and direct clients to the section(s) of your brochure that discuss brokerage.

In addition to the incentive fees described in Item 6 below, each Fund bears all offering, organizational and operating expenses. This includes the Management Fee, legal and accounting services, investment related expenses (including, but not limited to: commissions; clearing fees; fees, interest and other costs on margin accounts or other financings or re-financings and research expenses), and other expenses incurred in connection with the initial and continuous offering of interests, regulatory compliance (including registrations and securities, investment adviser and tax examinations), administrator fees, D&O insurance, extraordinary expenses and other similar expenses. Expenses paid on behalf of the Funds by the General Partner, the Investment Manager or their affiliates will be reimbursed by the Funds except to the extent waived.

Subject to the foregoing, the Investment Manager and the General Partner bear all fixed overhead expenses required for the administration of the Funds and Managed Accounts (other than such costs as are borne by such Funds as described above, including third-party administrator fees). This includes, but is not limited to: salaries and benefits of personnel of the Fund, the Investment Manager and the General Partner; rent; most office equipment and other overhead-type expenses.

Each Fund's investors are also responsible for the formation and organizational expenses of their respective Fund and such Fund's *pro rata* share of the Master Fund's organizational expenses. Each Fund's organizational expenses are amortized over a period that is up to 60-months in length, unless such treatment results in adverse regulatory or accounting consequences in which case the Fund may, in the discretion of the General Partner, adopt alternative approaches to expensing

and/or amortizing such expenses.

The precise amount of, and the manner and calculation of, the Management Fees for each Fund are set forth in the respective Fund's governing documents and/or other documentation received by each investor prior to making an investment in such Fund. The amount of Management Fees, fund expenses and any offset thereof may differ from one Fund to another, as well as among investors in the same Fund.

Managed Account clients can negotiate in their IMA for the allocation of expenses related to their Managed Account.

D. If your clients either may or must pay your fees in advance, disclose this fact. Explain how a client may obtain a refund of a pre-paid fee if the advisory contract is terminated before the end of the billing period. Explain how you will determine the amount of the refund.

No Clients must pay fees in advance. Management Fees applicable to the Funds and Managed Accounts are paid monthly in arrears as described in the IMA and/or the governing documents of each Feeder Fund or Managed Account. Any redemption amounts will be adjusted for the Incentive Allocation and the Management Fee.

E. If you or any of your supervised persons accepts compensation for the sale of securities or other investment products, including asset-based sales charges or service fees from the sale of mutual funds, disclose this fact and respond to Items 5.E.1, 5.E.2, 5.E.3 and 5.E.4.

Not applicable (with respect to all of Item 5.E and its sub-parts).

Item 6 – Performance-Based Fees and Side-By-Side Management

If you or any of your supervised persons accepts performance-based fees – that is, fees based on a share of capital gains on or capital appreciation of the assets of a client (such as a Client that is a hedge fund or other pooled investment vehicle) – disclose this fact. If you or any of your supervised persons manage both accounts that are charged a performance-based fee and accounts that are charged another type of fee, such as an hourly or flat fee or an asset-based fee, disclose this fact. Explain the conflicts of interest that you or your supervised persons face by managing these accounts at the same time, including that you or your supervised persons have an incentive to favor accounts for which you or your supervised persons receive a performance-based fee, and describe generally how you address these conflicts.

Generally, on the last calendar day of each fiscal year (or earlier upon the withdrawal from any capital account), subject to a “high water mark” (as discussed below), the General Partner will be

reallocated by the Master Fund a percentage of the net profits (the “Incentive Allocation”). The Incentive Allocation reallocated to the General Partner is 15% of net profits on capital contributions received prior to the date the Contribution Threshold is achieved. After the date that the Contribution Threshold is achieved, the Incentive Allocation is 20% (and the 15% rate will remain unchanged for the net profits attributable to earlier subscriptions). The Incentive Allocation is determined after taking into account the Management Fee and other expenses debited to the investor’s capital account or shares.

The Incentive Allocations are subject to a “high water mark.” This means that if there is a temporary decline in an investor’s capital account due to net losses, the General Partner will not be allocated the Incentive Allocation for such investor until these losses are recovered.

The Incentive Allocation is allocated to the General Partner at the Master Fund, and no Incentive Allocation (or other performance-based fee or similar compensation) is paid by either of the Feeder Funds.

Silverpath may elect, in its sole and absolute discretion, to waive some or all of its Incentive Allocation with respect to certain limited partners/shareholders in the Feeder Funds (or other direct or indirect investor in the Master Fund), including without limitation, limited partners/shareholders that are principals or employees of Silverpath or its affiliates. Silverpath’s Management Fees, Incentive Allocations and other compensation payable to Silverpath and the General Partner are established by Silverpath at the time of the establishment of the relevant investment vehicle and may be negotiated prior to the investment.

Once a Fund’s fiscal year has ended, any performance-based compensation earned during that year is not subject to reversal. The Incentive Allocation to the General Partner will be based, in part, on unrealized investment gains of the Master Fund that may never be realized in the event of adverse changes in the value of such investments and thus the allocation may be greater than if it were solely based in realized gains.

The performance-based compensation received by Silverpath and the General Partner creates a conflict between Silverpath’s interest in earning a profit in the short term with the long-term interests of the Funds and their investors. An incentive-based allocation arrangement may create an incentive for riskier or more speculative investments by Silverpath than might be the case in the absence of such performance-based allocation arrangement because these investments may allow Silverpath to collect larger incentive-based compensation. Fund investors are provided with clear disclosure as to how performance-based compensation is charged and the risks associated with such performance-based compensation prior to making an investment.

The Principals have invested a substantial amount of capital in the Funds, thus aligning, to some extent, the interests of Silverpath with the interests of the Funds.

Managed Account clients may pay management and/or performance fees to Silverpath as negotiated

and reflected in the IMA for the Managed Account. A conflict of interest may exist or arise in managing a side-by-side vehicle such as a separately managed account at the same time as managing the Funds. Trading is allocated in a fair and equitable manner, consistent with each account's investment objectives and with Silverpath's internal guidelines. In particular, for trades that are not allocated pro rata, Silverpath will document the reasons for its allocations. Examples of reasons for deviating from a pro rata formula include different investment guidelines and a new account ramp up, among others. In all cases Silverpath will allocate trades in the best interests of each account.

Item 7 – Types of Clients

Describe the types of clients to whom you generally provide investment advice, such as individuals, trusts, investment companies, or pension plans. If you have any requirements for opening or maintaining an account, such as a minimum account size, disclose the requirements.

Silverpath provides discretionary investment advice to the Funds, which are pooled investment vehicles operating as private investment funds, and to Managed Accounts. A Silverpath investor must be a sophisticated investor who qualifies as an “accredited investor” as defined under Regulation D of the U.S. Securities Act of 1933, as amended and who qualifies as a “qualified client” under Rule 205-3 of the Advisers Act. In addition, an investor in the Offshore Fund may not be a member of the public in the Cayman Islands.

Investors in the Funds are primarily U.S. investors, which may include, among others, high net worth individuals, estate planning trusts, family limited partnerships, family limited liability companies and corporations. In addition, principals, employees, and other persons associated with Silverpath may make capital contributions to the Funds.

The minimum investment amount for an investment in the Feeder Funds is \$250,000; the minimum investment for an investment in a Managed Account is \$50,000,000. Silverpath may, however, in its sole discretion, waive any of these minimum account requirements.

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

A. Describe the methods of analysis and investment strategies you use in formulating investment advice or managing assets. Explain that investing in securities involves risk of loss that clients should be prepared to bear.

Silverpath seeks to deliver high risk-adjusted absolute returns by leveraging the founders' extensive experience in real asset securities and hedge funds. Specifically, the Funds and Managed Accounts aim to combine seasoned business judgment, a fundamental value-oriented research approach, rigorous due diligence and compounding a low volatility return series over a long period of time. The methods of analysis, investment strategies and risk of loss are detailed for

an investment in the Fund; similar methods of analysis, investment strategies and risk of loss apply for the Managed Accounts as well.

Silverpath believes there are significant opportunities to produce attractive total returns by implementing the strategy of the Fund through a combination of alpha (superior investment selection) and beta (market exposure). The real asset securities strategy of the Fund should provide investors with exposure to the key characteristics and benefits of these types of tangible assets, which typically include low beta equity return potential, stability of longer term contractual income and cash flow, monopolistic qualities with competitive advantages, partial inflation hedging, and low correlation to traditional securities. In addition, a securities portfolio should provide greater ability and flexibility, relative to a real assets portfolio, in portfolio management execution and investor liquidity.

The universe of the Fund's investment strategy encompasses more than 800 companies with an equity market capitalization in excess of \$7.1 trillion as of September 30, 2014. The businesses and assets include differing characteristics, return drivers, risks and opportunities. Silverpath believes this diversity provides the opportunity to construct a portfolio that can deliver superior risk-adjusted returns. While the main focus of the strategy is U.S.-based companies, a portion of the universe and therefore the portfolio is expected to be invested in international companies. This is especially critical in areas such as infrastructure transportation (e.g., airports), where the industry is not well developed in the United States.

Silverpath will endeavor to produce superior risk-adjusted returns through a commitment to the following:

Idea Generation and Investment Screening. Silverpath believes that there are mispriced assets, businesses and risks in the markets every day. The investment process of the Investment Manager aims to find and capitalize on these investment opportunities, especially those with asymmetric return profiles. The initial step in identifying and targeting potential investment opportunities is to screen the universe of securities through a proprietary screening model. The results of the initial screening help to focus the investment team's effort on specific long and short investment opportunities.

Fundamental Research and Investment Selection. The core component of the security selection process involves in-depth analysis on specific securities primarily employing a value investment approach. The research process focuses on understanding businesses, business models and assets; analyzing and understanding operating cash flow and its stability and growth potential; and determining the factors that drive businesses and stock prices. A critical component of Silverpath's approach to due diligence is familiarity with a company's operations and culture, sourced from meetings with key members of management teams and on-site asset and market reviews. Silverpath forms its opinions by discussions with management, industry events, site visits as well as fundamental financial analysis. Through this fundamental research, Silverpath is attempting to isolate the critical variables that will ultimately determine the direction of a stock price before others and implement an investment strategy to capitalize on these views.

Portfolio Construction and Risk Management. Silverpath employs a thorough and disciplined approach to portfolio construction and risk management designed to help the Fund achieve its investment objectives of attractive total returns with relative stability. Key factors in portfolio construction include diversification of the Fund's primary investment focus – real estate, infrastructure, energy and natural resources; and diversification of the key drivers of returns and investment risks. Conviction of investment ideas and relative size of investment in the portfolio is confirmed through thorough fundamental research focused on management skill and motivation, cost and allocation of capital, operating cash flow and attractive valuation. One of the goals of portfolio construction is to have an investment portfolio that will perform well in different market conditions.

B. For each significant investment strategy or method of analysis you use, explain the material risks involved. If the method of analysis or strategy involves significant or unusual risks, discuss these risks in detail. If your primary strategy involves frequent trading of securities, explain how frequent trading can affect investment performance, particularly through increased brokerage and other transaction costs and taxes.

An investment in any fund entails substantial risks, including, but not limited to, the possibility of a complete loss of the amount invested. Current and prospective Silverpath investors should carefully consider the following factors, among others, in determining whether an investment in a Fund is suitable for them. Different or new risks not addressed below may arise in the future and, therefore, the following list is not intended to be exhaustive. There are many market-related and other factors, some of which cannot be anticipated, that could result in an investor losing a major portion or all of its investment in a Fund, or prevent a Fund from generating profits. Any of these factors could make a Fund unable to execute its investment strategy. No investor should invest in any fund unless the investor is fully able, financially and otherwise, to bear such a loss, and unless the investor has the background and experience to understand thoroughly the risks of its investment.

Because the Feeder Funds expect to invest all of their assets in the Master Fund which, in turn invests in securities, many of the risk factors considered below apply most specifically to investments made by the Master Fund. Unless the context requires otherwise, references below to “Fund” include the Master Fund.

For a more detailed review of the strategies and risks of an investment in the Fund, please see our private placement memoranda. All investors should be aware of certain risk factors, which include, but are not limited to, the following:

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

- *Volatility.* The market value of certain of the Fund's investments may be volatile, and will generally fluctuate due to a variety of factors that are inherently difficult to predict, including, among other things, the macro business and economic environment, specific developments or trends within a company or in any particular industry, the market's overall perception of risk, general economic conditions, the condition of certain financial markets, domestic and international economic or political events, prevailing credit spreads, changes in prevailing interest rates and the financial condition of counterparties.
- *Diversification Risk; Concentration of Investment.* The Fund may often hold large positions in a limited number of investments. The Fund could be subject to significant losses if it holds a relatively large position in a single market or a particular type of investment that declines in value, and the losses could increase even further if the investments cannot be liquidated without adverse market reaction or are otherwise adversely affected by changes in market conditions or circumstances.

C. If you recommend primarily a particular type of security, explain the material risks involved. If the type of security involves significant or unusual risks, discuss these risks in detail.

- *Real Estate Investment.* The Fund anticipates investing in real estate linked investments, such as real estate investment trusts, or "REITs". Real estate as an investment class has experienced significant fluctuation and cycles in value, and specific market conditions may cause occasional or permanent reductions in the value of real estate related investments. The cash flow and value of these investments will depend on many factors beyond the control of the Fund, including changes in general economic or local conditions; changes in supply of or demand for competing properties in an area; changes in interest rates; new governmental regulations relating to land-use and zoning restrictions, environmental protection, unavailability or cost of mortgages, the financial condition of counterparties, changes in real estate tax rates, energy or materials shortages, various uninsured or uninsurable risks, natural disasters, and war and terrorism.

- *Master Limited Partnership Investment Risks.* An investment in master limited partnerships, or “MLPs”, involves risks that differ from an investment in the common stock of a corporate issuer. Holders of MLP units have limited voting or management control over the partnership. MLPs with a concentration in a particular industry or region are subject to risks associated with that industry or region. The benefit derived by the Fund’s investment in MLPs mainly depends on MLPs being treated as partnerships for federal income tax purposes. If this treatment were to be revoked, the Fund’s investment in the MLP could suffer.
- *Real Estate Investment Trust Investment Risks.* Real estate investment trusts are companies that invest primarily in income producing real estate or real estate-related loans or interests. REITs depend on the skills of their managers and are not diversified. REITs also generally need to maintain cash flows to repay borrowings and to make distributions to investors. They are subject to the risk of default by lessees and borrowers. REITs whose underlying assets are concentrated in properties used by a particular industry are also subject to risks associated with the relevant industry. REITs are also subject to interest rate risks. REITs may have limited financial resources, may trade less frequently and in a limited volume and may be subject to more abrupt or erratic price movements than larger company securities.
- *Infrastructure Company Investment Risk.* Securities of infrastructure companies are more susceptible to adverse economic or regulatory occurrences affecting their industries. Infrastructure companies may be subject to a variety of factors that may adversely affect their business or operations, including high interest costs in connection with capital construction programs, high leverage, costs associated with environmental and other regulations, the effects of economic slowdown, surplus capacity, increased competition from other providers of services, uncertainties concerning the availability of fuel at reasonable prices, the effects of energy conservation policies and other factors. Infrastructure companies may also be affected by or subject to regulation by various government authorities; government regulation of rates charged to customers; service interruption due to environmental, operational or other mishaps; the imposition of special tariffs and changes in tax laws, regulatory policies and accounting standards; and general changes in market sentiment towards infrastructure and utilities assets.
- *“New Issue” Trading.* The Fund may engage in “new issues” trading. Investing in “new issues” poses unique risks arising out of their transient illiquidity, lack of trading history and concentration of ownership. In the event that the Fund elects to trade “new issues,” limited partners and/or shareholders of the Fund that are “restricted persons” or “covered persons” under applicable rules of the Financial Industry Regulatory Authority (“FINRA”) may not be permitted to participate or participate fully in the returns generated by those trades.
- *Preferred Securities Risk.* Investment in preferred stocks, preferred trusts and other

preferred securities involves special risks. Some preferred securities are subject to provisions that allow the preferred security issuer to skip or defer distributions under specified conditions. If the Fund owns a preferred security under distribution deferral, the Fund may be required to report income for tax purposes even though it is not receiving current cash distributions. Preferred securities often are subject to redemption in the event of certain tax or legal changes or upon the issuer's demand. In the case of redemption, the Fund may not be able to reinvest the proceeds at comparable rates of return. Preferred securities are subordinated in priority to bonds and other debt securities in an issuer's capital structure for corporate income and liquidation payments and, therefore, will be subject to greater credit risk than the issuer's debt securities. Preferred securities may trade less frequently and with a more limited volume and may be subject to more abrupt or erratic price movements than many other securities, such as common stocks, corporate debt securities and U.S. government securities.

- *Hedging Transactions.* The success of the Fund's hedging strategy will be subject to the Investment Manager's ability to correctly assess the degree of correlation between the performance of the instruments used in the hedging strategy and the performance of the investments in the portfolio being hedged. Since the characteristics of many securities change as markets change or time passes, the success of the Fund's hedging strategy is also subject to the Investment Manager's ability to continually recalculate, readjust, and execute hedges in an efficient and timely manner.

While the Fund may enter into hedging transactions to seek to reduce risk, such transactions may result in a poorer overall performance for such Fund than if it had not engaged in any such hedging transactions. For a variety of reasons, the Investment Manager may not seek to establish a perfect correlation between such hedging instruments and the risks being hedged. Such imperfect correlation may prevent a Fund from achieving the intended hedge or expose the Fund to risk of loss. In addition, the Investment Manager may not hedge a risk inherent in the Fund's portfolio because a hedge may not be available or is too costly in light of the likelihood of the possible risk actually occurring or because the risk simply could not be reasonably anticipated.

- *Derivatives.* The Fund may engage in a variety of derivative transactions. All derivative instruments, including options, forward contracts and swap contracts involve risks different from, and, in certain cases, greater than the risks presented by more traditional investments.

Many derivative instruments are subject to documentation risk. Because the contract for each over-the-counter derivative transaction is individually negotiated with a specific counterparty, there is a risk that the parties may interpret contractual terms differently when the Fund seeks to enforce its contractual rights. If that occurs, the cost and unpredictability of the legal proceedings required for the Fund to enforce its contractual rights may lead the Fund to decide not to pursue its claims against the counterparty. Also, payment amounts

calculated in connection with standard industry conventions for resolving contractual issues (such as ISDA Protocols and auction processes) may be different than would be realized if a counterparty were required to comply with the literal terms of the derivatives contract (e.g., physical delivery). In addition, the literal terms of an over-the-counter contract may be applied in ways that are at odds with the investment thesis behind the decision to enter into the contract.

Derivatives that have a leverage component also may be subject to the risks related to the use of leverage. In the case of swaps, the risk of loss generally is related to a notional principal amount, even if the parties have not made any initial investment. Certain derivatives have the potential for unlimited loss, regardless of the size of the initial investment.

- *Foreign Securities.* The Fund may invest, directly or indirectly, in companies located in or managed from countries other than the United States, including emerging markets. Investments in offshore securities may involve greater risk than investments in domestic securities due to, among other factors, political and economic considerations, such as greater risks of expropriation, nationalization and general social, political and economic instability; the small size of the securities markets in such countries and the low volume of trading, resulting in potential lack of liquidity and in price volatility; fluctuations in the rate of exchange between currencies and the costs associated with currency conversion and certain government policies that may restrict the Fund's investment opportunities. In addition, accounting and financial reporting standards that prevail in foreign countries generally are not equivalent to U.S. standards and, consequently, less information is available to investors in companies located in foreign countries than is available to investors in companies located in the U.S. There is also less regulation, generally, of the securities markets in foreign countries than there is in the U.S.

Price movements of the portfolio assets may be influenced by, among other things, interest rates, changing supply and demand relationships, trade, fiscal, monetary and exchange control programs and policies of governments, and national and international political and economic events and policies. In addition, governments from time to time intervene, directly and by regulation, in certain markets. This intervention often is intended directly to influence prices and may, together with other factors, cause all of such markets to move rapidly in the same direction because of, among other things, interest rate fluctuations. The Fund is also subject to the risk of the failure of any exchanges on which its positions trade or of the clearinghouses of such exchanges.

- *Short Selling.* The Fund engages in short sales of investment securities on behalf of the Fund. In a short sale, the seller sells a security that it does not own, typically a security borrowed from a broker or dealer. Because the seller remains liable to return the underlying security that it borrowed from the broker or dealer, the seller must purchase the security before the date on which delivery to the broker or dealer is required. Short

sales expose the Fund to the risk of liability for the market value of the security that is sold, which is an unlimited risk due to the lack of an upper limit on the price to which a security may rise. In addition, it is possible that securities necessary to cover a short position will be unavailable for purchase or that securities will be unavailable for borrowing by the Fund at reasonable costs. If a request for return of borrowed securities occurs at a time when other short sellers of the security are receiving similar requests, a “short squeeze” can occur, and the Fund may be compelled to replace borrowed securities previously sold short with purchases on the open market at the most disadvantageous time, possibly at prices significantly in excess of the proceeds received in originally selling the securities short.

- *Currency Exposure.* The Fund is subject to foreign currency risk, which means that the portion of the Fund’s portfolio not denominated in the U.S. dollar could decline in value as a result of changes in the exchange rates between foreign currencies and the U.S. dollar. Factors that may affect currency values include trade balances, the level of short-term interest rates, differences in relative values of similar assets in different currencies, long-term opportunities for investment and capital appreciation and political developments. Officials in foreign countries may, from time to time, take actions in respect of their currencies that could significantly affect the value of the Fund’s assets denominated in those currencies or the liquidity of such investments. Some foreign countries impose restrictions on the ability of issuers of foreign securities to make payment of principal, dividends and interest to investors located outside the country, due to blockage of foreign currency exchanges or otherwise. The Fund may, but is not required to, engage in various investments that are designed to hedge the Fund’s foreign currency risks, including foreign currency forward contracts, foreign currency futures contracts, put and call options on foreign currencies and foreign currency swaps. These transactions may reduce returns or increase volatility, perhaps substantially.

Item 9 – Disciplinary Information

If there are legal or disciplinary events that are material to a client’s or prospective client’s evaluation of your advisory business or the integrity of your management, disclose all material facts regarding those events.

Like other registered investment advisers, Silverpath is required to disclose all material facts regarding any legal or disciplinary events that would materially impact an investor’s evaluation of Silverpath or the integrity of Silverpath’s management. No events have occurred at Silverpath that are applicable to this Item 9.

Item 10 – Other Financial Industry Activities and Affiliations

A. If you or any of your management persons are registered, or have an application pending to register, as a broker-dealer or a registered representative of a broker-dealer,

disclose this fact.

Silverpath is not actively engaged in a business other than giving investment advice to the Funds. Neither Silverpath nor any of its management persons is registered or has an application pending to register as a broker-dealer, or associated person of the foregoing, and Silverpath does not anticipate such affiliations in the future.

B. If you or any of your management persons are registered, or have an application pending to register, as a futures commission merchant, commodity pool operator, a commodity trading adviser, or an associated person of the foregoing entities, disclose this fact.

Neither Silverpath nor any of its management persons is registered or has an application pending to register as a futures commission merchant, commodity pool operator, commodity-trading adviser, or associated person of the foregoing, and Silverpath does not anticipate such affiliations in the future.

C. Describe any relationship or arrangement that is material to your advisory business or to your clients that you or any of your management persons have with any related person listed below. Identify the related person and if the relationship or arrangement creates a material conflict of interest with clients, describe the nature of the conflict and how you address it.

- 1. Broker-dealer, municipal securities dealer, or government securities dealer or broker**
- 2. Investment company or other pooled investment vehicle (including a mutual fund, closed- end investment company, unit investment trust, private investment company or “hedge fund,” and offshore fund)**
- 3. Other investment adviser or financial planner**
- 4. Futures commission merchant, commodity pool operator, or commodity trading advisor**
- 5. Banking or thrift institution**
- 6. Accountant or accounting firm**
- 7. Lawyer or law firm**
- 8. Insurance company or agency**
- 9. Pension consultant**
- 10. Real estate broker or dealer**
- 11. Sponsor or syndicator of limited partnerships.**

Silverpath does not have arrangements with a related person who is a broker-dealer, investment company, other investment adviser, financial planning firm, commodity pool operator, commodity trading adviser or futures commission merchant, banking or thrift institution, accounting firm, law firm, insurance company or agency, pension consultant, real estate broker or dealer, or an entity that

creates or packages limited partnerships that are material to its advisory services, the Funds or its investors.

Silverpath has and will continue to develop relationships with professionals who provide services it does not provide, including legal, accounting, banking, tax preparation, insurance brokerage, and other personal services. Silverpath's client and industry participant relationships and arrangements are material to its advisory business and may raise conflicts of interest. None of the above relationships, however, creates a material conflict of interest with any of Silverpath's Clients or its investors.

As described above in Item 4, Silverpath is affiliated with Silverpath Investment Management LLC, the Fund's General Partner. The General Partner is deemed registered with the SEC under the Advisers Act pursuant to Silverpath's registration. The General Partner operates as a single advisory business together with Silverpath and serves as the General Partner of private investment funds, other pooled vehicles and may share common owners, officers, partners, employees, consultants or persons occupying similar positions.

From time to time, Silverpath may receive training, information, promotional material, meals, gifts or prize drawings from vendors and others with whom it may do business or to whom it may make referrals. At no time will Silverpath accept any benefits, gifts, or other arrangements that are conditioned on directing individual Client transactions to a specific security, product, or provider. Similarly, the personnel of the Investment Manager and/or its affiliates may speak at conferences and programs for potential investors interested in investing in hedge funds that are sponsored by the Master Fund's prime brokers. Through such capital introduction events, prospective investors have the opportunity to meet with Silverpath. Neither Silverpath nor any Fund compensates the prime brokers for organizing such events or for investments ultimately made by prospective investors attending such events.

D. If you recommend or select other investment advisers for your clients and you receive compensation directly or indirectly from those advisers that creates a material conflict of interest, or if you have other business relationships with those advisers that create a material conflict of interest, describe these practices and discuss the material conflicts of interest these practices create and how you address them.

Silverpath does not recommend or select other investment advisers for its Clients.

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

A. If you are an SEC-registered adviser, briefly describe your Code of Ethics adopted pursuant to SEC rule 204A-1 or similar state rules. Explain that you will provide a copy of your Code of Ethics to any client or prospective client upon request.

Code of Ethics

As fiduciaries, Silverpath and its employees have certain legal obligations to put Clients' interests ahead of their own. Silverpath has adopted a written Code of Ethics based on principles of openness, honesty, integrity, and trust. At least once a year, each Silverpath employee is required to acknowledge this Code and agree to be bound by it.

Silverpath's Code of Ethics covers standards of business conduct, confidentiality of client information, personal trading requirements, insider trading, reporting of personal securities transactions, restrictions on accepting and giving of significant gifts, political contribution policies, and reporting of certain gifts and business entertainment items, among other things. The Code of Ethics also includes a prohibition on insider trading and outlines strict policies that dictate how any such information is treated.

Employees of Silverpath who violate the Code of Ethics may be subject to remedial actions, including, but not limited to, profit disgorgement, fines, censure, suspension or dismissal. Employees are also required to promptly report any violations of the Code of Ethics of which they become aware.

Silverpath will provide a copy of its Code of Ethics to any existing or prospective investor upon request to its Chief Compliance Officer, Krista B. McLeod, at (312) 930-3320.

B. If you or a related person recommends to clients, or buys or sells for client accounts, securities in which you or a related person has a material financial interest, describe your practice and discuss the conflicts of interest it presents. Describe generally how you address conflicts that arise.

Examples: (1) You or a related person, as principal, buys securities from (or sells securities to) your clients; (2) you or a related person acts as general partner in a partnership in which you solicit client investments; or (3) you or a related person acts as an investment adviser to an investment company that you recommend to clients.

Participation or Interest in Client Transactions

Silverpath and certain employees and affiliates of Silverpath may invest in and alongside the Funds, either through the General Partner, as direct investors in the Funds, or otherwise. A Fund or the General Partner, as applicable, may exempt such person from all or a portion of the Management Fee or Incentive Allocation. For further details regarding these arrangements, as well as conflicts of interest presented by such arrangements, please see Item 6.

Silverpath does not complete any principal securities transactions for Client accounts. Silverpath also does not cause Clients to enter into securities trades with each other without the express written consent of each Client. Principal transactions are generally defined as transactions where

an adviser, acting as principal for its own account or the account of an affiliated broker-dealer, buys from or sells any security to any advisory Client. A principal transaction may also be deemed to have occurred if a security is crossed between an affiliated fund and another Client account.

Although it does not expect to, from time to time, the Investment Manager and its affiliates may complete securities trades (including outright purchases and sales) between a Fund and other Clients of Silverpath or its affiliates, known as a cross trade. In the rare event this occurs, any cross trading transactions conducted between the Fund and Silverpath's other Clients or affiliates will be made at the then market rate for similar transactions between unrelated parties and only where an independent pricing mechanism (such as the last sales price on the exchange where the security is principally traded) is available. Transactions between the Fund and other Clients of the Investment Manager or its affiliates are completed for no consideration other than cash payment against prompt delivery of the relevant security or other instrument, are completed at current market prices, and do not involve any brokerage commissions, clearing charges, other transaction costs or fees, or other remuneration.

Conflicts of Interest

In addition to the conflict of interest arising from trading by Silverpath or its principals or employees for their own accounts as discussed immediately above, and conflicts relating to Silverpath's receipt of performance-based compensation, which are discussed in Item 6 above, Clients or investors in the Funds are subject to additional conflicts of interest. The offering documents for each Fund details a complete description of what Silverpath believes to be the most significant conflicts of interest associated with an investment in a Fund. Investors should carefully consider the conflicts of interest described herein, as well as those outlined in the Feeder Funds' offering documents, prior to investing in a Fund.

The Investment Manager, who is responsible for the investment decisions made on behalf of the Funds and the Managed Accounts, may in the future be responsible directly or indirectly for investment decisions made on behalf of other investment vehicles and other Managed Accounts. The Investment Manager may take action with respect to the Funds that differs from that taken with respect to other pooled investment vehicles and Managed Accounts advised by the Investment Manager. To the extent a particular investment is suitable for both a Fund and another Client, such investment will be allocated between the applicable Funds and such other Client *pro rata* based on assets under management or in some other manner which the Investment Manager determines is fair and equitable under the circumstances to all Clients, including such Fund(s).

The fact that the General Partner and Silverpath's Principals and employees have financial ownership interests in the Funds creates a potential conflict in that it could cause Silverpath to make different investment decisions than if such parties did not have such financial ownership interests. Silverpath may have an incentive to favor accounts in which such persons have an

interest with respect to trading opportunities, trade allocation and allocation of investment opportunities. Any such risks, however, would be equally applicable to the General Partner's own capital account with respect to each Feeder Fund.

Silverpath has adopted rules intended to detect and prevent conflicts of interest that arise when Silverpath's related persons own, buy or sell securities. Silverpath's Code of Ethics requires Silverpath employees to place the interests of Clients first, and on an annual basis each Silverpath employee must certify that he or she has read and understands the Code of Ethics and has complied with its provisions. Silverpath employees are permitted to make personal securities transactions for their own accounts provided they abide by the limitations imposed in the Code of Ethics. Principals and employees must furnish to Silverpath's Chief Compliance Officer duplicate copies of their brokerage statements or quarterly transaction reports along with annual holding reports.

C. If you or a related person invests in the same securities (or related securities, e.g., warrants, options or futures) that you or a related person recommends to clients, describe your practice and discuss the conflicts of interest this presents and generally how you address the conflicts that arise in connection with personal trading.

Personal Trading

Silverpath's employees are permitted to make securities transactions in their personal accounts, subject to certain limitations. In particular, Silverpath employees are not permitted to buy or sell securities that are in the Fund's investable universe. Employee personal trading presents potential conflicts in that an employee could make improper use of information regarding a Client's holdings or future transactions or research paid for by the Clients. Silverpath manages the potential conflicts of interest inherent in employee trading by strict enforcement of its Code of Ethics, which includes pre-clearance and reporting requirements.

Silverpath's Code of Ethics prohibits it and its personnel from trading for Clients or for themselves, or recommending trading, in securities of a company while in possession of material nonpublic information ("Inside Information"), and from disclosing such information to any person not entitled to receive it, in either case in contravention of applicable securities laws. Silverpath has adopted policies and procedures reasonably designed to control and monitor the flow of Inside Information to and within Silverpath as well as prevent trading based on Inside Information.

Silverpath maintains a restricted list regarding issuers about whom it has Inside Information. Pre-clearance is required for initial public offerings and certain limited offerings. Supervised persons are required to submit their brokerage account statements or quarterly transaction reports along with annual holding reports to the CCO for review to confirm employees are abiding by Silverpath's personal trading requirements.

D. If you or a related person recommends securities to clients, or buys or sells securities for client accounts, at or about the same time that you or a related person buys or sells the same securities for your own (or the related person's own) account, describe your practice and discuss the conflicts of interest it presents. Describe generally how you address conflicts that arise.

Please refer to Items 11.A, 11.B, and 11.C.

Item 12 – Brokerage Practices

A. Describe the factors that you consider in selecting or recommending broker-dealers for client transactions and determining the reasonableness of their compensation (e.g., commissions).

- 1. Research and Other Soft Dollar Benefits.** If you receive research or other products or services other than execution from a broker-dealer or a third party in connection with client securities transactions ("soft dollar benefits"), disclose your practices and discuss the conflicts of interest they create.
 - a.** Explain that when you use client brokerage commissions (or markups or markdowns) to obtain research or other products or services, you receive a benefit because you do not have to produce or pay for the research, products or services.
 - b.** Disclose that you may have an incentive to select or recommend a broker-dealer based on your interest in receiving the research or other products or services, rather than on your clients' interest in receiving most favorable execution.
 - c.** If you may cause clients to pay commissions (or markups or markdowns) higher than those charged by other broker-dealers in return for soft dollar benefits (known as paying-up), disclose this fact.
 - d.** Disclose whether you use soft dollar benefits to service all of your clients' accounts or only those that paid for the benefits. Disclose whether you seek to allocate soft dollar benefits to client accounts proportionately to the soft dollar credits the accounts generate.
 - e.** Describe the types of products and services you or any of your related persons acquired with client brokerage commissions (or markups or markdowns) within your last fiscal year.
 - f.** Explain the procedures you used during your last fiscal year to direct client transactions to a particular broker-dealer in return for soft dollar benefits you received.

Transactions for the Funds and Managed Accounts are allocated to broker-dealers on the basis of best execution available in light of the overall quality of brokerage, prime brokerage, financing and other services provided. Silverpath is authorized to determine the broker or dealer to be used

for each securities transaction for its Funds and Managed Accounts. In selecting brokers or dealers to execute transactions, Silverpath will consider the following factors, among others: the financial stability and reputation of the broker, Silverpath's experience with the broker, the quality of the investment research, investment strategies, special execution capabilities, clearance, settlement, custody, recordkeeping and other services provided by such broker. Silverpath need not solicit competitive bids and does not have an obligation to seek the lowest available commission cost. Silverpath does not request or permit investors to direct brokerage.

Section 28(e) of the Securities Exchange Act of 1934, as amended, is a "safe harbor" that permits an investment manager to use commissions or "soft dollars" to obtain research and brokerage services that provide lawful and appropriate assistance in the investment decision-making process. The Investment Manager will limit the use of "soft dollars" to obtain research and brokerage services to services which constitute research and brokerage within the meaning of Section 28(e). Research and brokerage services within Section 28(e) may include, but are not limited to: research reports (including market research); certain financial newsletters and trade journals; software providing analysis of securities portfolios; analyses concerning specific securities, companies or sectors; and data services (including services providing market data, company financial data and economic data); services related to the execution, clearing and settlement of securities transactions and functions incidental thereto (*i.e.*, connectivity services between an investment manager and a broker-dealer); and trading software operated by a broker-dealer to route orders.

Research and brokerage services obtained by the use of commissions arising from a Fund or Managed Account's portfolio transactions may be used by Silverpath in its other investment activities and thus, a Fund or Managed Account may not necessarily, in any particular instance, be the direct or indirect beneficiary of the research or brokerage services provided.

Although Silverpath will make a good faith determination that the amount of commissions paid is reasonable in light of the products or services provided by a broker, commission rates are generally negotiable and thus, selecting brokers on the basis of considerations that are not limited to the applicable commission rates may result in higher transaction costs than would otherwise be obtainable. The receipt of such products or services and the determination of the appropriate allocation in the case of "mixed use" products or services create a potential conflict of interest between the Investment Manager and its Clients.

2. Brokerage for Client Referrals. If you consider, in selecting or recommending broker- dealers, whether you or a related person receives client referrals from a broker-dealer or third party, disclose this practice and discuss the conflicts of interest it creates.

- a. Disclose that you may have an incentive to select or recommend a broker-dealer based on your interest in receiving client referrals, rather than on your clients' interest in receiving most favorable execution.**

b. Explain the procedures you used during your last fiscal year to direct client transactions to a particular broker-dealer in return for client referrals.

In selecting brokers and negotiating commission rates, the Investment Manager will take into account, among other things, the financial stability and reputation of brokerage firms, and the research, brokerage or other services provided by such brokers. Silverpath may place transactions with a broker or dealer that (i) provides it (or an affiliate) with the opportunity to participate in capital introduction events sponsored by the broker-dealer or (ii) refers investors to the Fund and/or Managed Accounts or other products advised by Silverpath (or an affiliate), if otherwise consistent with seeking best execution, provided the Investment Manager is not selecting the broker-dealer solely in recognition of the opportunity to participate in such capital introduction events or the referral of investors. The selection of a broker (including the prime brokers) to execute transactions, provide financing and securities on loan, hold cash and short balances, and provide other services may be influenced by, among other things, the provision by the broker of the following: capital introduction; marketing assistance; consulting with respect to technology, operations, and equipment; commitment of capital; access to company management; and access to deal flow. Neither the General Partner nor any Fund and/or Managed Account separately compensate any broker for any of these other services.

Brokers sometimes suggest a level of business they would like to receive in return for the various services they provide. Actual brokerage business received by any broker may be less than the suggested allocations, but can (and often does) exceed the suggestions, because total brokerage is allocated on the basis of all the considerations described above. A broker is not excluded from receiving business because it has not been identified as providing research services.

Each Fund and Managed Account's securities transactions generate brokerage commissions and other compensation, all of which the respective Fund and/or Managed Account, not the Investment Manager, will be obligated to pay. The Investment Manager has complete discretion in deciding what brokers and dealers each Fund and/or Managed Account will use and in negotiating the rates of compensation a Fund and/or Managed Account will pay. In addition to using brokers as "agents" and paying commissions, each Fund and/or Managed Account may buy or sell securities directly from or to dealers acting as principals at prices that include markups or markdowns, and may buy securities from underwriters or dealers in public offerings at prices that include compensation to the underwriters and dealers.

As mentioned in Item 10, above, from time to time, the personnel of the Investment Manager and/or its affiliates may speak at conferences and programs for potential investors interested in investing in hedge funds, which are sponsored by the Master Fund's prime brokers. Through such capital introduction events, prospective investors have the opportunity to meet with Silverpath. Neither Silverpath nor the Fund compensates the prime brokers for organizing such events or for investments ultimately made by prospective investors attending such events. Such events and other services (including, without limitation, capital introduction and business consulting services and technology) provided by a prime broker to the Fund, the Master Fund,

and/or the Investment Manager may be a factor in deciding whether to use such prime broker in connection with brokerage, financing and other activities of the Fund.

Silverpath recognizes that it may have an incentive to favor broker-dealers that provide capital introduction services to Silverpath or refer investors. Silverpath receives asset-based fees and accordingly would receive a financial benefit from the increase in assets under management that result from capital introduction services and investor referrals. Similarly, Silverpath receives a performance-based fee and accordingly could receive a larger performance-based fee in any given profit period as a result of an increase in assets under management that results from capital introduction services and investor referrals. The potential for higher fees presents a potential conflict in that Silverpath has an incentive to favor broker-dealers that provide services that have a direct impact on fees even if those broker-dealers rate unfavorably in other categories.

Silverpath addresses this potential conflict by periodically reviewing its broker-dealer arrangements and evaluating each broker-dealer's performance in a variety of categories, including but not limited to the broker or dealer's execution capabilities, reputation and access to the markets for the securities being traded. Other considerations include, among other things, the amount of transaction costs, the quality of execution, the expertise in particular markets, the experience and financial stability of the firm, the availability of stock loans, the breadth of investment products made available, the quality of service, the familiarity both with investment practices generally and the techniques employed by Silverpath, the research and analytic services and clearing and settlement capabilities, the capability to facilitate transfers and payments to and from accounts, and the availability of other products and services, subject at all times to principles of best execution. Such reviews are expected to enable Silverpath to determine when broker-dealers that outperform in capital introduction and investor referrals also underperform in other areas. In such situations, Silverpath may provide heightened scrutiny to its relationship with such a broker-dealer.

Morgan Stanley & Co. LLC has been appointed as the prime broker and custodian for the Master Fund and the Master Fund's securities transactions that are completed through other brokerage firms. The Master Fund is not committed to continue its prime brokerage relationships with its prime broker for any minimum period, and Silverpath, in its sole and absolute discretion, may select other or additional brokers to act as prime broker(s) to the Master Fund.

3. Directed Brokerage.

- a. If you routinely recommend, request or require that a client direct you to execute transactions through a specified broker-dealer, describe your practice or policy. Explain that not all advisers require their clients to direct brokerage. If you and the broker-dealer are affiliates or have another economic relationship that creates a material conflict of interest, describe the relationship and discuss the conflicts of interest it presents. Explain that by directing brokerage you may be unable to achieve most favorable execution of client transactions, and that this practice may**

cost clients more money.

- b. If you permit a client to direct brokerage, describe your practice. If applicable, explain that you may be unable to achieve most favorable execution of client transactions. Explain that directing brokerage may cost clients more money. For example, in a directed brokerage account, the client may pay higher brokerage commissions because you may not be able to aggregate orders to reduce transaction costs, or the client may receive less favorable prices.

Silverpath does not have any directed brokerage arrangements.

B. Discuss whether and under what conditions you aggregate the purchase or sale of securities for various client accounts. If you do not aggregate orders when you have the opportunity to do so, explain your practice and describe the costs to clients of not aggregating.

Silverpath aggregates the purchase or sale of securities for Client accounts when to do so is in the Client's best interest. In such circumstance, the firm will enter a block trade and generally allocate on a *pro rata* basis among Clients, unless investment restrictions or investment guidelines otherwise require.

Item 13 – Review of Accounts

A. Indicate whether you periodically review client accounts or financial plans. If you do, describe the frequency and nature of the review, and the titles of the supervised persons who conduct the review.

The Principals and other senior managers of Silverpath regularly review the portfolios of each Fund and Managed Account to determine if they are consistent with applicable investment objectives and restrictions as detailed in the relevant vehicle's governing documents. Silverpath also considers whether the portfolio should change investments based on various factors, including but not limited to, changes in company fundamentals, advisers, key industry personnel, analysts, news and press releases, general market conditions and assessments of the financial consequences of world events derived from general information, or such other material as is appropriate under the particular circumstances.

Krista B. McLeod, Chief Compliance Officer, reviews records of trades placed for the Funds and Managed Accounts on a regular basis. The Funds' accounts are also reviewed on a regular basis by SS&C Technologies, Inc., Silverpath's third party administrator, to price the portfolio based on independent third party pricing sources or methodologies approved by Silverpath. SS&C also ensures that Silverpath's records are in agreement with those of its custodian.

B. If you review client accounts on other than a periodic basis, describe the factors that

trigger a review.

Client reviews on another-than-periodic basis would occur in the event of performance anomalies and market volatility.

C. Describe the content and indicate the frequency of regular reports you provide to Clients regarding their accounts. State whether these reports are written.

Silverpath distributes monthly, quarterly and annual written reports to Fund investors. Monthly reports contain summary information regarding performance and exposures. Investors also receive monthly statements from SS&C Technologies, Inc. Quarterly reports contain a discussion of performance for the quarter. Annual reports are delivered within 120 days of year-end and include a summary of investments and performance, as well as annual audited financial statements. All reports are sent to investors in writing and are delivered electronically. Silverpath has contact with investors (personal visits, telephone calls and e-mails) throughout the year as conditions warrant.

Silverpath distributes written reports to Managed Account clients as negotiated and reflected in the IMA for the Managed Account.

Item 14 – Client Referrals and Other Compensation

A. If someone who is not a client provides an economic benefit to you for providing investment advice or other advisory services to your clients, generally describe the arrangement, explain the conflicts of interest, and describe how you address the conflicts of interest. For purposes of this Item, economic benefits include any sales awards or other prizes.

Silverpath does not receive any monetary compensation or any other economic benefit from a non-client for Silverpath's provision of investment advisory services to a Client.

B. If you or a related person directly or indirectly compensates any person who is not your supervised person for client referrals, describe the arrangement and the compensation.

Silverpath has one arrangement in place with a third-party marketer to assist in its fundraising efforts. This arrangement has been structured in accordance with Rule 206(4)-3(A)(1)(ii) and the cost of any such fees associated with this arrangement will be borne entirely by Silverpath and not by any limited partner.

As mentioned above in Items 12, from time to time, the personnel of Silverpath or its affiliates may speak at conferences and programs for potential investors interested in investing in hedge funds which are sponsored by prime brokers. Through such capital introduction events, prospective

investors have the opportunity to meet with Silverpath. Neither Silverpath nor the Funds compensates the prime brokers for organizing such events or for investments ultimately made by prospective investors attending such events.

Item 15 – Custody

If you have custody of client funds or securities and a qualified custodian sends quarterly, or more frequent, account statements directly to your clients, explain that clients will receive account statements from the broker-dealer, bank or other qualified custodian and that clients should carefully review those statements. If your clients also receive account statements from you, your explanation must include a statement urging clients to compare the account statements they receive from the qualified custodian with those they receive from you.

Silverpath or the General Partner is deemed, under federal securities laws, to have custody over its Clients' funds by virtue of their status as investment manager and general partner, respectively. The Onshore Fund is audited annually by McGladrey LLP according to Generally Accepted Accounting Principles. RSM Cayman Ltd, Grand Cayman, Cayman Islands, audits the Offshore Fund and the Master Fund. The Investment Manager delivers to the Funds and their limited partners/shareholders a copy of the annual audited financial statements within 120 days of the fiscal year-end in compliance with the Custody Rules. Managed Accounts are not subject to these same requirements.

Silverpath does not take physical possession of Client money or securities; capital contributions are directly sent or wired into the Investment Manager's custodial accounts. Silverpath's custodians are listed in its Form ADV Part 1 and Silverpath receives monthly statements from its qualified custodians.

Item 16 – Investment Discretion

If you accept discretionary authority to manage securities accounts on behalf of clients, disclose this fact and describe any limitations clients may (or customarily do) place on this authority. Describe the procedures you follow before you assume this authority (e.g., execution of a power of attorney).

Investment advice is provided directly to the Funds and Managed Accounts, subject to the discretion and control of the General Partner, and not to investors in the Funds and Managed Accounts individually. Silverpath and its General Partner have discretionary authority based on the governing documents of each vehicle to buy and sell securities or other investments and to determine the amount of such investments to be bought and sold. The terms upon which Silverpath serves as an investment manager of a Fund and Managed Account are established at the time each Fund or Managed Account is established. Silverpath's authority to trade securities may also be limited by certain federal securities and tax laws that require diversification of investments

and favor the holding of investments once made.

To become a limited partner in a Fund, an investor must execute a subscription agreement with such Fund. Such subscription agreements, and the other governing documents of the applicable Fund, contain a power of attorney that generally grants the General Partner, an affiliate of Silverpath, certain powers related to the orderly administration of the affairs of the Fund.

Item 17 – Voting Client Securities

A. If you have, or will accept, authority to vote client securities, briefly describe your voting policies and procedures, including those adopted pursuant to SEC Rule 206(4)-6. Describe whether (and, if so, how) your clients can direct your vote in a particular solicitation. Describe how you address conflicts of interest between you and your clients with respect to voting their securities. Describe how clients may obtain information from you about how you voted their securities. Explain to clients that they may obtain a copy of your proxy voting policies and procedures upon request.

By virtue of the IMAs, Silverpath has the authority to vote on behalf of its Clients in any proxy solicitations that may occur with respect to the issuers of securities held by the Funds. Silverpath has adopted a proxy voting policy pursuant to SEC Rule 206(4)-6 to describe how it votes its Clients' proxies. Silverpath votes proxies consistent with the best interests of its investors and in accordance with the Funds' and Managed Accounts' stated objectives, primarily maximizing portfolio values. Silverpath has retained the services of Institutional Shareholder Services Inc. ("ISS"), a proxy service firm, to assist Silverpath in its proxy voting and proxy management, including the resolutions of any conflicts of interest. There may be instances when Silverpath does not vote in accordance with ISS's recommendation due to the specific circumstances of the proxy in question. Silverpath cannot anticipate every situation, and certain issues are better handled on a case-by-case basis. The proxy service firm will retain all proxy voting records in accordance with SEC Rule 206(4)-6. In general, investors cannot request that Silverpath vote in a particular way on any specific proposal. Pursuant to its policy, Silverpath will generally vote in accordance with management's recommendations.

Investors may obtain a copy of Silverpath's complete proxy voting policy upon request, free of charge, from Silverpath's Chief Compliance Officer, Krista McLeod, at (312) 930-3320. Investors may also obtain information from Silverpath, free of charge, about how Silverpath voted any previous proxies.

B. If you do not have authority to vote client securities, disclose this fact. Explain whether clients will receive their proxies or other solicitations directly from their custodian or a transfer agent or from you, and discuss whether (and, if so, how) clients can contact you with questions about a particular solicitation.

Not applicable.

Item 18 – Financial Information

A. If you require or solicit prepayment of more than \$1,200 in fees per client, six months or more in advance, include a balance sheet for your most recent fiscal year.

- 1. The balance sheet must be prepared in accordance with generally accepted accounting principles, audited by an independent public accountant, and accompanied by a note stating the principles used to prepare it, the basis of securities included, and any other explanations required for clarity.**
- 2. Show parenthetically the market or fair value of securities included at cost.**
- 3. Qualifications of the independent public accountant and any accompanying independent public accountant's report must conform to Article 2 of SEC Regulation S-X.**

Not applicable.

B. If you have discretionary authority or custody of client funds or securities, or you require or solicit prepayment of more than \$1,200 in fees per client, six months or more in advance, disclose any financial condition that is reasonably likely to impair your ability to meet contractual commitments to clients.

Silverpath has no financial commitment that impairs its ability to meet contractual and fiduciary commitments to investors.

C. If you have been the subject of a bankruptcy petition at any time during the past ten years, disclose this fact, the date the petition was first brought, and the current status.

Silverpath has not been the subject of a bankruptcy proceeding.