

## Silver River Capital Advisors LP

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New York, New York 10022

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This “**Brochure**” provides information about the qualifications and business practices of Silver River Capital Advisors LP. If you have any questions about the contents of this Brochure, please contact our Chief Compliance Officer (“CCO”), Larry Statsky, by email at IR@silverrivercapital.com. Information in this Brochure has not been approved or verified by the U.S. Securities and Exchange Commission (“**SEC**”) or by any state securities authority.

*This Brochure does not constitute an offer to sell or solicitation of an offer to buy any securities. The securities of the Funds are offered and sold on a private placement basis under exemptions promulgated under the Securities Act of 1933 and other applicable state, federal or non-U.S. laws. Significant suitability requirements apply to prospective investors in the Funds, including requirements that they be “accredited investors” as defined in Regulation D, “qualified purchasers” as defined in the Investment Company Act, or non-“U.S. Persons” as defined in Regulation S. Persons reviewing this Brochure should not construe this as an offer to sell or a solicitation of an offer to buy the securities of any of the Funds described herein. Any such offer or solicitation will be made only by means of a confidential private placement memorandum.*

Additional information about Silver River Capital Advisors LP is also available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

**Item 2: Material Changes**

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There have been no material changes to report since our initial ADV filing. In the future, if the Brochure – when amended in conjunction with our annual update – contains material changes from our last annual update, we will identify and discuss those changes.

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**Item 4: Advisory Business**

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Silver River Capital Advisors LP is a Delaware limited partnership (hereinafter “**Silver River**,” “**we**,” “**us**,” “**our**” or the “**Firm**”) and is an affiliate of Silver River GP LLC (the “**General Partner**”) which serves as the general partner of the of the Firm. Ricardo Salmon serves as the Limited Partner of the Investment Manager, Silver River Capital Advisors LP, and as the General Partner’s Managing Member (“**Managing Member**”).

Silver River serves as the investment adviser, with discretionary trading authority, to the following private pooled investment vehicles, the securities of which are offered to qualified investors on a private placement basis: Silver River Capital Partners LP, a Delaware limited partnership (the “**Onshore Fund**”), Silver River Capital Partners Ltd., a Cayman Islands exempted company (the “**Offshore Fund**”); collectively with the Onshore Fund, the “**Feeder Fund**” or “**Feeder Funds**”) and Silver River Capital Partners Master Fund Ltd, a Cayman Islands exempted partnership (the “**Master Fund**,” and with the Feeder Funds, where applicable, the “**Fund**” or “**Funds**”).

Silver River's registration on Form ADV also covers Silver River Capital Management LLC (the “**Fund General Partner**”), a limited liability company organized under the laws of the state of Delaware. The Fund General Partner is an affiliate of the Investment Manager and it serves or may serve as the general partner (or in such similar capacity) of pooled investment vehicles. The Fund General Partner’s facilities and personnel are provided by the Investment Adviser. The Fund General Partner serves as general partner to the Onshore Fund and the Master Fund.

The Offshore Fund’s “**Shareholders**” and the Onshore Fund’s “**Limited Partners**” are hereafter collectively referred to as the “**Investors**” where appropriate.

We will not tailor our advisory services to the individual needs of any particular Investor.

We do not currently participate in any Wrap Fee Programs.

The Advisor currently manages \$41,805,37 RAUM on a discretionary basis as of April 30, 2018.

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**Item 5: Fees and Compensation**

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The fees applicable to each Fund are set forth in detail in each Fund’s offering documents. A brief summary of such fees is provided below.

***Management Fee***

The Fund is charged a monthly management fee, in arrears, generally based on the net asset value of the assets under management, typically at a rate equal to 0.1458% (1.75% per annum).

In Silver River's sole discretion, the Management Fee may be waived, reduced or calculated differently with respect to certain Investors, including the Fund General Partner. The Fund General Partner will not be charged the Management Fee. Without the consent of the Investors, the Management Fee may be charged to, and paid by, the Master Fund instead of the Feeder Fund.

***Other Types of Fees or Expenses***

In addition to the Management Fee, the Master Fund will pay all of the ongoing expenses of the Funds including, but not limited to: (i) brokerage commissions, dealer spreads, clearing and trading fees and all other costs of executing transactions, including externally incurred costs of establishing computer and systems connections with the Fund's brokers and counterparties; (ii) interest, expenses, financing charges and other charges related to the purchase, sale, transmittal and custody of portfolio assets and related items; (iii) the costs of installing, implementing and maintaining order management and execution management systems and software; (iv) investment expenses (including, without limitation, research-related travel and due-diligence expenses, expenses related to research vendor selection and retention, and the costs of research-related publications and periodicals), external costs incurred in valuation and portfolio pricing; (v) the costs of trading, research and/or data screens, as well as risk management and data services and systems (including, without limitation, the costs of utilizing and/or supporting risk-reporting technology required by consultants retained by or on behalf of institutional investors); (vi) the cost and fees attributable to third-party consultants and counsel — in particular, political and economic consultants and counsel with expertise in the various emerging market sectors in which the Fund will invest — which provide advice to the Firm relating to the legal, tax and regulatory status of the Fund as well as the contractual and legal rights and obligations of the Fund with respect to its operations and investments; (vii) the costs and expenses of consulting services retained in an attempt to improve the Fund's operations or investment processes and/or other Fund-related activities; (viii) any taxes and duties payable in any jurisdiction in connection with the Fund's trading and operations; (ix) legal, accounting, auditing and other professional fees and expenses, including, without limitation, the costs of negotiating trade-related and account-specific counterparty documentation; (x) administrative costs (including, without limitation, the fees and out-of-pocket expenses of the Administrator and its agents), establishing computer and systems connectivity with the Administrator and other third-party service providers, paying agency, transfer agency, accounting verification (if any) and/or investor registrar services and the costs of middle-office and back-office support as provided by the Administrator; (xi) the costs and fees attributable to any third-party proxy voting service; (xii) costs and expenses relating to the Fund and the Silver River Parties obtaining and maintaining regulatory licenses as well as of maintaining U.S. and non-U.S. registration, regulatory and self-regulatory filings, reporting, compliance, responding to regulatory and governmental inquiries, subpoenas and proceedings (in each case, whether involving the Fund or the Firm; (xiii) due diligence expenses related to maintaining service-provider relationships with the Fund (including any travel-related due diligence costs); (xiv) the fees and expenses of the Fund's board of directors (the "**Directors**"); (xv) insurance premiums (including, without limitation, Errors & Omissions, Directors & Officers and general liability insurance, including for the Silver River Parties and the Master Fund's Directors); (xvi) costs which the Firm determines are associated with the ongoing offering of the Fund and the Offshore Fund (including, without limitation, the costs of preparing marketing brochures, "Due Diligence Questionnaires" and updates to the Memorandum and the Material Contracts, but not including placement fees or the costs of marketing-related travel and entertainment); (xvii) costs resulting from any entities used in the course of the Master Fund's trading and investing; and (xviii) any indemnification payments.

The Fund will not pay any of the internal expenses of the Firm (such as salaries, bonuses or office rent), except as set forth above.

The Fund does not have a pre-determined limit on its ordinary or extraordinary operating expenses. The Fund's actual annual operating expenses are disclosed in the Fund's year-end audited financial statements, which are provided to each Investor.

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

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***Incentive Allocation***

Our affiliate and the general partner Silver River Capital Fund Management LLC is entitled to be paid performance-based compensation, generally at the end of each Fiscal Year via the Master Fund.

Performance-based allocation arrangements may create an incentive for us to recommend investments which may be riskier or more speculative than those which we would recommend under a different arrangement.

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**Item 7: Types of Clients**

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Our clients are the Funds, as described above and any future separately managed accounts we may enter into.

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

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

***Investment Strategy***

Our investment objective is to achieve superior, long-term absolute returns by investing in emerging market opportunities over a full investment cycle under the direction of Silver River. Within emerging markets, we have a focus on Latin America, emerging Europe, South Africa, Israel and Turkey.

The particular countries in which we invest can be expected to change and evolve over time (although we expect to concentrate on the foregoing markets for the foreseeable future), but our focus will remain on issuers formed in and/or operating primarily in emerging markets. Silver River may trade in the U.S. and other developed markets, but such trading will typically be in ADRs or other securities or instruments issued in respect of issuers operating primarily in emerging markets.

We invest primarily in liquid securities and in markets which, while "emerging," are generally functional and efficient under most market conditions.

We invest in a wide range of instruments including, but not limited to, equities, equity-related securities, fixed-income instruments, options, warrants, futures, swaps and other derivatives,

both exchange-traded and over-the-counter — primarily in equity and equity-related securities listed or traded on regulated exchanges, as well as in certain “over-the-counter” credit securities and derivatives.

We seek to pursue investment opportunities using multiple investment strategies across various markets and asset classes. We believe that persistent and sometimes systemic inefficiencies in emerging markets, coupled with lack of in-depth coverage by analysts, can lead to pricing inefficiencies which our fundamental analysis can identify and exploit.

We expect that the Fund’s portfolio will typically be significantly diversified by issuer, industry, market sector and country, although from time to time we may concentrate the portfolio in a limited number of investment opportunities.

We are not a “macro” trader. We generally do not attempt to profit directly from exchange-rate fluctuations, commodity price trends, etc. (although the Firm may do so on an opportunistic basis). Rather, we focus on fundamental research into individual issuers. Macro factors inform, but do not drive, our fundamental analysis.

There are four primary strategy components to our investment approach.

1. Fundamental Long/Short Investing
2. Event-Driven Investing
3. Special Situation Credit Investing
4. Capital Markets Investing

While our approach is currently generally based on the foregoing components, these components themselves may change materially over time and new components may be added and existing components discontinued as we respond to changing market conditions.

#### Portfolio Investments

In emerging markets, access reliable financial and anecdotal information is at a premium and is often not generally available — at least not to the extent that is common in more developed markets. We believe that we have, over the years, developed significant local networks of financial market participants in the markets in which we invest. This market access permits us to develop a universe of issuers which we believe merit following with detailed fundamental analysis being applied when some event or circumstance suggests that a compelling investment opportunity relating to a given issuer may be developing. We attempt to identify from among the issuers in its current universe, those which seem likely to under or outperform in the near- to mid-term based on any number of factors, including, without limitation, balance sheet and earnings, competitive advantages, entry barriers, pricing, management and anticipated growth (both individually and in the applicable market sector as a whole).

Once an issuer has been included in our investable universe, we will apply a more detailed fundamental analysis to the individual circumstances of such issuers if there is a development which we believe might generate a meaningful investment opportunity. This analysis involves a “deep dive” approach similar to that taken by many private equity firms (although all issuers in which we invests will be publicly-traded) including: analyzing governance and corporate structure; modelling company operating performance and financial results; comparisons to other issuers in the same market sector and/or geography; evaluating the corporate structure;

and assessing whether the issuer's financial resources enable it to finance growth and/or sustain cyclical and/or unexpected market and revenue declines.

In addition to fundamental factors idiosyncratic to each issuer, we also consider each issuer in the context of the industry sector in which it operates as well as the financial market in which its securities trade. Considerations such as the currency exposure inherent in the investment, the stability of the countries in which the issuer operates, the cost of capital in the relevant market as well as the liquidity of the issuer's securities are weighed, as are any applicable exchange and/or capital investment controls.

#### *Portfolio Construction and Monitoring*

The risk profile in emerging markets is such that we believe that a premium must be placed not only on the selection of individual issuers but also on portfolio construction. Given the potential volatility, correlation and episodic illiquidity in emerging markets, we believe that it is particularly important to attempt to design a portfolio which should — at least under normal market conditions — permit us to profit from the idiosyncratic mispricing of particular issuers while insulating the portfolio as much as possible from macro-economic, currency and other generic emerging market price determinations.

From time to time, we may take "beta hedging" positions in the stock indices or, less frequently, credit default swaps ("CDS") related to certain countries, but more typically will rely on the basic long/short construction of our portfolio to mitigate "beta" risk. We will generally have both long and short positions in issuers in each country in which we invest. However, we will have materially different levels of long and short net exposure — and corresponding "beta" risk — in its different geographies.

We will be actively managed from an overall portfolio perspective. Even if we still have a favorable opinion with respect to certain positions, we may reduce or eliminate exposure to such positions due to concerns relating to the overall exposure of the portfolio to a particular geography, industry or market sector.

#### ***Risk of Loss Factors***

The following risk factors do not purport to be a complete list or explanation of the risks involved in an investment in the clients advised by us. These risk factors include only those risks we believe to be material, significant or unusual and relate to particular significant investment strategies or methods of analysis employed by us.

No assurance can be made that profits will be achieved or that substantial or complete losses will not be incurred.

#### *Focus on Emerging Markets*

Certain characteristics of emerging markets — potentially less liquidity, transparency and regulation, smaller analyst and research infrastructure, etc. — exacerbate the risks generally associated with leveraged long/short equity investments in these markets. While the markets in which we will trade are generally functional and efficient, they are susceptible to periods of disruption and illiquidity to a materially greater extent than the more developed markets (i.e., in the G-20 countries).



*Special Risks of Emerging Markets*

Investing in emerging market countries is subject to incremental risks as compared to investing in more developed countries. These risks include, but are not limited to, the following:

- Currency devaluations and other currency exchange-rate fluctuations;
- Unavailability of currency-hedging techniques in certain emerging market countries;
- Controls on foreign investment and limitations on repatriation of invested capital and on our ability to exchange local currencies for U.S. Dollars;
- Greater social, economic, and political uncertainty and instability (including amplified risk of war and terrorism);
- More substantial government involvement in the economy;
- Less government supervision and regulation of the securities markets and participants in those markets and possible arbitrary and unpredictable enforcement of securities regulations;
- Generally smaller, less seasoned, or newly organized companies; difference in, or lack of, auditing and financial reporting standards, which may result in unavailability of material information about issuers;
- Greater price volatility, substantially less liquidity, and significantly smaller market capitalization securities markets;
- Nationalization or expropriation of assets or confiscatory taxation; and
- Difficulty in obtaining and/or enforcing a judgment in a court outside the United States.

High rates of inflation and/or rapid fluctuations in inflation rates have had, and may continue to have, negative effects on the economies and securities markets of certain emerging market countries.

Even in stable economic times, emerging markets tend to be subject to an unusually high degree of volatility and risk.

Emerging markets are at risk not only with respect to disruptions in these markets themselves, but also to the markets' reaction to disruptions in the G-20 nations which historically have resulted in a flight of capital away from emerging markets.

*Exchange-Rate Considerations*

We invest in positions denominated in a variety of different currencies. Fluctuations in the value of such currencies as compared to the U.S. Dollar (in which our shares are denominated) as well as compared to each other may have a material effect on our performance.

Our exchange-rate exposure may be complex. It is not simply a matter of hedging changes in the U.S. Dollar and the local currency, but rather an analysis of the effects of exchange-rate fluctuations on the performance of the issuers in which we invest, as well as in the translation of the market value of such issuers from their functional currency into U.S. Dollars.

Exchange-rate risk is a material intrinsic feature of our strategy, but will not be managed in any "robotic" manner. We generally intend to hedge only when we believe it is reasonable and advisable to do so. However, we expect that we may incur significant costs in managing our exchange-rate exposure as well as, from time to time, material gains and losses, as a result of exchange-rate changes.

The complexity of our exchange rate exposure is such that it is more accurate to describe our approach as one of “managing” rather than “hedging” such exposure. Even if we do hedge a position’s currency exposure, such hedging may not be complete.

#### *Exchange Control*

Certain of the countries in which we may invest may impose exchange controls, making it impracticable, if not impossible, for us to repatriate proceeds of investments which we have made there. In certain cases, the impositions of such controls may result in what is effectively a total loss on an investment which would otherwise have been highly profitable.

In certain of the markets in which we may invest, restrictions are imposed on the investment of “foreign” capital. We may not be able to take advantage of certain investment opportunities identified by us due to such restrictions.

#### *No Formal Diversification Policies*

While we intend that, as one of the risk management strategies implemented, we will maintain a diversified portfolio, there can be no assurance that our portfolio will, in fact, be diversified at any given time. Moreover, investments in what have historically been assets which have demonstrated a relatively low degree of correlation to each other may, under certain market conditions, perform with a high degree of correlation to each other — increasing rather than mitigating overall; portfolio risk.

#### *Short Selling*

Short selling involves certain additional risks as compared to “all long” investing. Selling financial instruments short creates the risk of losing an amount greater than the initial investment in a relatively short period of time. Various incremental costs are also involved in maintaining short positions. Since short selling involves the use of borrowed financial instruments, if the desired financial instruments can no longer be borrowed, the short position may have to be terminated prematurely, causing material losses. In certain circumstances, short selling certain financial instruments may not be possible either because such financial instruments are not available to borrow or because short sales of such financial instrument have been restricted by the applicable exchange or regulatory authority.

Short selling in emerging markets is structurally may be more difficult than in the developed markets (and even in developed markets, short selling is structurally more difficult than taking long positions due to the need to borrow the securities sold short).

#### *Merger Arbitrage*

We may from time to time invest in “merger arbitrage” transactions, which involve the purchase of securities of companies that are the subject of acquisition attempts, exchange offers or cash tender offers. Merger arbitrage is characterized by an asymmetry of returns in that the rates of return achieved on successful deals are generally well below the losses incurred on unsuccessful transactions. Consequently, a principal aspect of the merger arbitrage strategy is risk control, attempting to avoid major losses from non-consummation of transactions which could have a long-term effect on the performance of this strategy.

From time to time, we may take positions which we believe will profit from the announcement and possible subsequent consummation of a transaction which has not yet been announced. Investing in “pre-announced transactions” involves an entire dimension of incremental risk in addition to that applicable to investing in announced transactions.

### *Common Stocks*

We will invest substantially all of our capital in long and short positions in common stock. Common stock prices are directly affected by issuer-specific events, as well as general market conditions. In addition, in many countries investing in common stocks is subject to heightened regulatory and self-regulatory scrutiny as compared to investing in debt or other financial instruments.

### *Equity Derivatives and Related Options*

Although a limited component of our overall strategy, we may trade in equity derivatives. In certain markets such derivatives are the most efficient means of acquiring equity exposure. These derivatives are subject to pricing components — including duration, strike price and premiums — to which the underlying stocks are not. Consequently, our equity derivative positions may be unprofitable even though we may have correctly assessed the market value of the underlying stocks.

We may trade in put and call options, which involve qualitatively different risks than owning or selling short the underlying common stock. Because option premiums paid or received by an investor are small in relation to the market value of the investments underlying the options, trading put and call options is highly leveraged.

### *“New Issues”*

We may occasionally invest in public offerings of equities subject to the rules of the Financial Industry Regulatory Authority, Inc. (“FINRA”), Limited Partners that are “restricted persons” (as defined in FINRA Rule 5130) may be limited (including to 0%) in the percentage of profits and losses attributable to such investments allocated to them. Limited Partners restricted from participating in the profits and losses attributable to such “new issues” investments will generally not be compensated by us for the use of such Limited Partners’ pro rata share of the capital used to acquire such investments.

### *ADRs*

We may invest in securities of emerging market issuers in the form of depositary receipts or other securities that are convertible into securities of non-U.S. issuers. ADRs are receipts typically issued by an American bank or trust company that evidence underlying securities issued by a foreign corporation. We may also invest in unsponsored Depositary Receipts. The issuers of unsponsored Depositary Receipts are not obligated to disclose information that is, in the United States, considered material. Therefore, there may be less information available regarding these issuers, and there may not be a correlation between such information and the market value of the ADRs. ADRs are generally subject to the same risks as the emerging market securities that they evidence or into which they may be converted.

*Credit Default Swaps*

We may purchase and sell credit derivatives contracts — primarily CDS — both for hedging and speculative purposes (primarily the former). The CDS traded in the markets in which we will invest are generally not on specific issuers but rather on the sovereign debt of the country itself. As a result, our CDS positions will often be used as a form of “beta” hedging of our exposure to the country itself.

*Stressed and Distressed Credits*

One of the components of our strategy may include investing in stressed and distressed debt, which, while having the potential to generate equity-like returns has the structural advantages (priority over equity in bankruptcy, possibly security interests in the issuer’s assets) of debt over equity. However, for an issuer’s debt to demonstrate equity-like return characteristics, the issuer generally must be in some financial stress or distress (so that the issuer’s debt trades not on the basis of our interest rate, but on the market’s perception of the creditworthiness of the issuer). Investing in securities of issuers in weak financial condition or default, experiencing poor operating results, having substantial capital needs or negative net worth, facing special competitive or product obsolescence problems, or involved in bankruptcy or reorganization proceedings (these proceedings in emerging markets are materially less efficient and often less investor-friendly than in developed markets). Investments of this type may involve substantial financial and business risks that can result in substantial or at times even total losses. Among the risks inherent in investments in troubled entities is the fact that it frequently may be difficult to obtain information as to the true condition of such issuers. Such investments also may be adversely affected by laws relating to, among other things, fraudulent transfers and other voidable transfers or payments, lender liability, and a tribunal’s power to disallow, reduce, subordinate or disenfranchise particular claims. The market prices of such securities may also 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 those prevailing in other securities markets. It may take a number of years for the market price of such securities to reflect their intrinsic value. In liquidation (both in and out of bankruptcy) and other forms of corporate reorganization, there exists the risk that the reorganization will be unsuccessful (due to, for example, failure to obtain requisite approvals), will be delayed (e.g., 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 we of the security in respect to which such distribution was made.

*Convertible Securities*

Convertible securities are bonds, debentures, notes, preferred stocks or other securities that may be converted into or exchanged for a specified amount of common stock of the same or a different issuer within a particular period of time at a specified price or formula. Convertible securities generally: (i) have higher yields than the dividends on the underlying common stocks, but lower yields than non-convertible securities of a comparable duration; (ii) are less volatile in price than the underlying common stock due to their fixed-income characteristics; (iii) have a significant option component to their value which is directly impacted by the prevailing market volatility and interest rates; and (iv) provide the potential for capital appreciation if the market price of the underlying common stock increases.

The market for convertible securities is typically materially less liquid than that for the underlying common stock and the value of convertible securities more directly at risk to increases in interest rates.

The issuance of convertible securities in emerging markets is significantly more limited than in the developed markets and the availability as well as the pricing of these securities less reliable.

#### *High Growth Company-Related Risks*

We may invest in high growth companies, which may allocate, or may have allocated, greater than usual amounts to research and product development. The securities of these companies may experience above-average price movements associated with the perceived prospects of success of their research and development programs. In addition, companies in which we invest could be adversely affected by the lack of commercial acceptance of a new product or products or by technological change and obsolescence. Many of these companies may participate in undeveloped or limited markets, have limited products, rely on proprietary technology that may be difficult to protect from competitors, have no proven profit-making history, operate at a loss or with substantial variations in operating results from period to period, have limited access to capital and/or be in the developmental stages of their businesses.

#### *Conventional Debt*

We may invest in conventional debt securities. Any such securities acquired by us are likely to have a fixed interest rate (floating rate debt held by us essentially being used only as cash equivalents in our portfolio). The value of fixed income securities will change as the general levels of volatility and interest rate fluctuate. Investments in lower rated or unrated fixed income securities, while generally providing greater opportunity for gain and income, usually entail greater risk, including the possibility of default or bankruptcy of the issuer of such securities.

#### *Derivative Instruments*

We may use various derivative instruments in addition to CDS, such as total return swaps, that seek to modify or replace the investment performance of particular financial instruments on a leveraged or unleveraged basis. Derivative instruments may be volatile and speculative. Certain positions may be subject to wide and sudden fluctuations in market-value, with a resulting fluctuation in the amount of profits and losses. In addition to this volatility risk, derivative instruments are subject to additional risks including, but not limited to, leverage, interest rate and credit risk, liquidity risk, tracking risk (the risk of an imperfect or variable degree of correlation between the value of the derivative and that of the underlying asset), liquidity risk, world and local market price and demand, and general economic factors and activity. Derivative instruments also have counterparty risk and may not perform in the manner expected by the Investment Manager, thereby resulting in greater loss or gain.

#### *Interest Rate Swaps*

An interest rate swap is a bilateral agreement that requires each party to make periodic payments to the other party, the amounts of which are determined on the basis of a stated fixed or floating rate of interest, a specified notional principal amount, and the actual number of days during the period divided by the actual number of days in the year. Typically, one party agrees to make payments in an amount equal to a fixed rate of interest multiplied by the notional principal amount, while the other party agrees to make payments in an amount equal to a particular floating interest rate (e.g., "LIBOR") multiplied by the notional amount. The

payment obligations of the parties might also be based on two different floating rates. On each scheduled payment date, the amount required to be paid by one party is netted against the amount required to be paid by the other party, and only this net amount is paid by one party to the other. Neither party actually pays the notional principal amount at any time during the term of the swap. A “swaption” is an option granting one party the right to enter into a swap on specified terms, up to or on a stated expiration date.

Either party, or both parties, to a swap may be required to deposit margin or collateral with the counterparty in order to secure their obligations. The margin or collateral required may only be fraction of the notional value of the swap, resulting in a high degree of leverage. Interest rate swaps may extend over substantial periods of time and generally require payments to be made on a semi-annual basis. Such transactions are entered into by each party acting as principal and typically may not be transferred or terminated without counterparty consent. As a result, interest rate swaps have limited liquidity. By entering into a swap, a party assumes the risk of adverse interest- or exchange-rate fluctuations, which could result in the party being obligated to make payments to our counterparty over a significant period of time.

#### *Exchange Traded Funds (“ETFs”)*

We will invest in ETFs and options on ETFs. An investment in an ETF generally presents the same primary risks as an investment in a conventional mutual fund that has the same investment objective, strategies and policies.

An ETF may fail to accurately track the market segment or index that underlies our investment objective.

The price of an ETF can fluctuate within a wide range, and we could lose money investing in an ETF if the prices of the securities or other assets owned by the ETF decrease. In addition, ETFs are subject to the following risks that do not apply to conventional mutual funds: (i) the market price of the ETF shares may trade at a discount to our net asset value; (ii) an active trading market for an ETF shares may not develop or be maintained; or (iii) trading of an ETF’s shares may be halted if the listing exchange’s officials deem such action appropriate.

We will indirectly bear our proportionate share of any management fees and other expenses paid by other investment companies in which it invests. Consequently, an investment will incur higher expenses than a direct investment in the ETFs utilized by us.

#### *Forward Contracts*

We may enter into forward contracts referenced to currencies and interest rates, through U.S. and non-U.S. national or local banks and currency and rates dealers. A forward contract is a contractual obligation to buy or sell a specified quantity of a security, currency or commodity at or before a specified date in the future at a specified price and, therefore, is similar to a futures contract. Banks and dealers act as principals in such markets. Banking authorities generally do not regulate trading in forward contracts. The principals who deal in the forward contract market are not required to continue to make markets in such contracts. There have been periods during which certain participants in forward markets have refused to quote prices for forward contracts or have quoted 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. The imposition of credit controls or price risk limitations by governmental authorities may prohibit or limit such forward trading to less than that which we would otherwise recommend,

to the possible detriment of us. In our forward trading, we are subject to the risk of the failure of, or the inability or refusal to perform with respect to our forward contracts by, the counterparties with which we trade. Fund assets on deposit with such counterparties are also generally not protected by the same segregation requirements imposed on certain regulated brokers in respect of customer funds on deposit with them. We may order trades in such markets through agents. Accordingly, the insolvency or bankruptcy of such parties could also subject we to the risk of loss.

#### *Futures Contracts*

We trade futures for exchange-rate hedging purposes. Futures are often inherently highly leveraged (often with margin deposits as low as 1% to 15% of contract value) and can become illiquid due to exchange-imposed price fluctuation limits.

The regulation of futures trading on non-U.S. exchanges differs materially from that on U.S. exchanges, and we may be placed at significant competitive disadvantages to other market participants in trading on such exchanges.

#### *Structured Investment Products*

We may issue, acquire or otherwise participate in a variety of different structured investment products; for example, total return swaps, participating notes and options. In certain cases, structured investment products are the most efficient means of obtaining access to an emerging market's equities. These structured products involve not only the risks of the underlying "reference asset," but also the risks (including acceleration of the financing embedded in the structure and/or restrictions imposed on the management and nature of the permissible reference assets) and costs of creating the structured products. Structured products are also subject to the credit risk of the counterparties.

#### *Repurchase Agreements*

We may enter into repurchase and reverse repurchase agreements. A repurchase agreement involves the sale of an investment by us and our agreement to repurchase the investment at a specified time and price (thereby financing our acquisition of such investment). If the party agreeing to repurchase should default, as a result of bankruptcy or otherwise, we may seek to sell the investments which it holds, which action could involve costs or delays in addition to a loss on the investments if their value should fall below their repurchase price. If the seller becomes insolvent and subject to liquidation or reorganization under applicable bankruptcy or other laws, our ability to dispose of the underlying investments may be restricted.

#### *Less Liquid Investments*

We generally do not intend to invest in financial instruments which we consider illiquid at the time of acquisition. However, we may from time to time invest in restricted securities. In addition, instruments that were liquid at the time of acquisition may cease to be so while still held by us. As a result, we may be unable to close out a position against which the market is moving so as to limit losses or on a position which has become profitable in order to realize the profits. In addition, if we make a short sale of an illiquid security, we may have difficulty executing the trades necessary to cover the short sale, resulting in material losses.



*Small and Medium Capitalization Companies*

We may invest a portion of our assets in the stocks of companies with small- to medium-sized market capitalizations, including growth stage companies. Those stocks, particularly smaller-capitalization stocks, involve — particularly in emerging markets — higher risks in some respects than do investments in stocks of larger companies. For example, prices of small-capitalization and even medium-capitalization stocks are often more volatile than prices of large-capitalization stocks, and the risk of bankruptcy or insolvency of many smaller companies (with the attendant losses to investors) is higher than for larger companies. In addition, due to thin trading in some small-capitalization stocks, an investment in those stocks may be highly illiquid. These incremental risks are exacerbated in emerging markets.

*Other Instruments*

There is no limit on the financial instruments in which we may trade. Although our strategies will focus on long-short equity trading, we may invest from time to time in any available financial instruments on an opportunistic basis (and perhaps with some frequency). Moreover, over time the strategies implemented may expand to include material components not currently included in our portfolio.

**Item 9: Disciplinary Information**

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We have no disciplinary disclosures to make that are required in the Brochure.

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

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Silver River will claim an exemption from registration with the CFTC as a CPO pursuant to CFTC Rule 4.13(a)(3).

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

We do not recommend or select other investment advisers for our clients.

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

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***Code of Ethics***

Silver River has adopted a “**Code of Ethics**” that establishes the high standard of conduct that we expect of our employees and procedures regarding our employees’ personal trading of securities. Our employees are required to certify their adherence to the terms set forth in the Code of Ethics upon commencement of employment and annually thereafter. Employees also are required to provide quarterly certifications of compliance with certain Code of Ethics provisions.

The foundation of our Code of Ethics is based upon the following underlying fiduciary principles:

- Employees must at all times place the interests of the Fund first;



- Employees must ensure that all personal securities transactions are conducted consistent with the Code of Ethics; and
- Employees should not take inappropriate advantage of their position at the Firm.

### ***Personal Securities Trading***

Employees, their spouses, immediate family members and other dependents, are required to direct their brokers to send duplicate copies of personal discretionary brokerage account statements to the CCO. These records are used to monitor compliance with Silver River's "**Employee Investment Policy**." The Employee Investment Policy restricts employees' personal securities trading to not allow trading in the emerging markets in which we trade, and liquidating trades of emerging market ("**EM**") securities (a "**Liquidating Trade**") held by the employee at the time of employment with the Firm.

Employees must obtain pre-approval from the CCO before: (i) making a Liquidating Trade in an EM security; (ii) engaging in any outside business activities that may present a conflict with the employees' duties at the Firm; or (iii) making any private investments.

We will provide a copy of our Code of Ethics to our Investors, or any prospective investor or client, upon request.

### ***Participation or Interest in Client Transactions***

Employees, affiliates of the employees, and relatives of the employees may make investments in the Funds. This may present a conflict where an employee is in a position to trade in a manner that could adversely affect the Funds (for example, by placing his or her own trades before or after Fund trades are executed in order to benefit from any price movements due to the Funds' trades). As indicated above, we have adopted a pre-clearance policy in an effort to minimize such conflicts.

## **Item 12: Brokerage Practices**

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Silver River is authorized to determine the broker-dealer to be used for executing securities transactions for the Funds. In selecting broker-dealers to execute transactions, we do not need to solicit competitive bids and do not have an obligation to seek the lowest available commission cost. The Funds' securities and other assets are held in securities accounts at our prime brokers that are "Qualified Custodians" as defined in the Advisers Act.

### ***Best Execution***

In selecting an appropriate broker-dealer to affect a client trade, we seek to obtain "**Best Execution**," meaning generally the execution of a securities transaction for a client in such a manner that a client's total costs or proceeds in the transaction are most favorable under the circumstances. Accordingly, in seeking Best Execution, we will take into consideration the price of a security offered by the broker-dealer, as well as a broker-dealers' full range and quality of their services including, among other things, their facilities, reliability and financial responsibility, execution capability, commission rates, responsiveness to us, brokerage and research services provided to us (for example, research ideas, analysis, and investment strategies), special execution and block positioning capabilities, clearance, and settlement and custodial services.

**Soft Dollars**

The Firm may use “**Soft Dollars**” generated by the Master Fund’s trading activities to purchase brokerage and research services or products that would otherwise have been our expense. We intend to keep any such arrangements within the parameters of the safe harbor of Section 28(e) of the Securities Exchange Act of 1934.

Neither Silver River nor any related person receives client referrals from any broker-dealer or third party. However, subject to best execution, Silver River may consider, among other things, capital introduction and marketing assistance with respect to investors in the Funds in selecting or recommending broker-dealers for the Funds.

**Item 13: Review of Accounts**

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Our portfolio managers and investment professionals continuously monitor and analyze the transactions, positions, and investment levels of the Master Fund to ensure that they conform with the investment objectives and guidelines that are stated in the relevant Funds’ offering documents. In these reviews, we pay particular attention to any changes in the investment’s fundamentals, overall risk management and changes in the markets that may affect price levels.

**Account Reporting**

We will distribute annual audited financial statements with respect to the previous fiscal year to all Investors within 120 days of relevant Fund’s fiscal year end. We also may distribute other interim reports to Investors.

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

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This Item is inapplicable.

**Item 15: Custody**

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We will comply with Advisers Act’s “**Custody Rule**,” by meeting the conditions of the pooled vehicle annual audit provision. Annually, upon completion of the relevant Fund’s annual audit, we will distribute the Fund’s audited financials to Investors within 120 days of the Fund’s fiscal year end.

**Item 16: Investment Discretion**

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We will have full discretionary authority over the Funds including authority to make decisions with respect to which securities to be bought and sold, as well as the amount and price of those securities. Additionally, the Firm has full discretion over the broker-dealers to be used for transactions and the commissions to be paid to those broker-dealers. These terms are established in the offering documents of each Fund.

**Item 17: Voting Client Securities**

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To the extent that we are delegated proxy voting authority on behalf of the Funds, we will comply with our proxy voting policies and procedures that are designed to ensure that such

proxies are voted in the best interest of the Funds. Generally, the Investors may not direct voting of proxies.

Upon request, we will provide Investors with a copy of our proxy voting policies and procedures and/or a record of all proxy votes cast by the Funds.

**Item 18: Financial Information**

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This Item is inapplicable.