

# **J. Goldman & Co., L.P.**

## **Part 2A of Form ADV: Firm Brochure**



J. GOLDMAN & CO., L.P

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Updated: March 1, 2019

This brochure provides information about the qualifications and business practices of J. Goldman & Co., L.P. (the “Firm” or “Investment Adviser”). If you have any questions about the contents of this brochure, please contact the Firm’s Compliance Department at (212) 262-4340. 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. Registration as an investment adviser with the SEC does not imply a certain level of skill or training of J. Goldman & Co., L.P. or its personnel.

Additional information about the Firm and this brochure are available on the SEC’s website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

This document does not constitute an offer to sell or a solicitation of an offer to invest in any security.

## **Item 2– Material Changes**

This section discusses material changes to the Form ADV Part 2A brochure (the “Brochure”) since our last annual updating amendment made on June 22, 2018.

Item 4 has been updated to enhance the description of our business and to name Sagan Weiss as Chief Compliance Officer of the Firm.

Item 12 has been updated to disclose that we no longer have commission sharing arrangements (“CSA”) with broker-dealers and have closed our CSA account.

Investors are encouraged to review the Brochure in its entirety.

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#### **Item 4 – Advisory Business**

- A. J. Goldman & Co., L.P., a Delaware limited partnership, is a hedge fund manager headquartered in New York, New York. The Firm was founded in 1986 by Jay G. Goldman, who currently holds a controlling interest in and serves as Chief Executive Officer of the Firm. The Firm is also managed by Joseph Magaro, the Firm's President, who joined the Firm in 2001 and became a Partner in 2010. The Chief Compliance Officer, Sagan Weiss ("CCO") and the Chief Financial Officer, Albert Scerbo ("CFO"), jointly oversee the Firm's back office. As of December 31, 2018, the Firm had approximately 70 employees, approximately 47 of whom perform investment advisory functions.

The Firm serves as the investment adviser to certain pooled investment vehicles (each, a "Fund" and collectively, the "Funds") which rely on the Section 3(c)(7) exemption from registration under the Investment Company Act of 1940, as amended, and are offered only to investors who are qualified purchasers. The Funds, which are organized in a "master-feeder" structure where the investments are managed in a "master fund" using assets contributed by investors who subscribe to "feeder funds," are: J. Goldman, L.P. (formerly named The Jay Goldman Master Limited Partnership), Broadview Partners, L.P., Woodmont Investments Limited, Woodmont Investment Partners, L.P., and J. Goldman Master Fund, L.P. (the "Master Fund"). An affiliate of the Firm serves as the general partner (the "General Partner") of those Funds organized as limited partnerships.

- B. The Firm is known as a "long/short" hedge fund manager. The Firm's investment approach is to seek substantial capital appreciation primarily through taking short-term long and short positions in the equity and options markets. The Firm also seeks to enhance portfolio returns through internally-generated "alpha capture" strategies and dynamic models which analyze trades and positions in the Master Fund and recommend additional transactions to adjust or resize portfolio holdings. In addition to the short-term trading activity, some of the Firm's strategies may be characterized as risk arbitrage, arbitrage, volatility trading or value investing. Risk arbitrage involves the trading of securities in companies involved in takeover-related or other special situations. Arbitrage involves the making of relatively small profits from temporary distortions in the price relationships between related markets, as opposed to attempting to profit from correct projections of market direction. Value investing involves the purchase of securities at discounts to the perceived intrinsic value of enterprise with a longer-term holding in mind. The Firm conducts a multi-strategy business, is not limited in the investment strategies, instruments or markets it may employ, or discontinue, and may invest in other markets and pursue other investment strategies opportunistically.
- C. The Firm's current clients are solely Funds; the Firm does not tailor its investment advisory services to individuals.
- D. The Firm does not participate in wrap-fee programs.
- E. As of December 31, 2018, the Firm managed \$1,692,877,462 in regulatory assets under management on a discretionary basis.

## Item 5 – Fees and Compensation

A-B. The specific manner in which the Firm calculates and deducts fees is set forth in the private offering memoranda for the Funds. Fees may be waived, rebated or calculated differently at the sole discretion of the Firm, and in certain instances, more favorable arrangements are reflected in “side letters” with certain investors. A brief summary of the fees and fund terms is set forth below.

	<b><u>Broadview Partners, L.P.</u></b>	<b><u>Woodmont Investments Limited</u></b>	<b><u>J. Goldman, L.P.</u></b>
<b>Management Fee</b>	1%	Class A – 1% Class B – 1% Class C – 1%	Class A – 0% Class B – 1% Class C – 0%
<b>Advisor Expenses</b>	Pass through of all expenses	Pass through of all expenses	Pass through of all expenses
<b>Incentive Allocation</b>	20% on first 15% net annualized; 30% thereafter; annual crystallization	Class A – 20% on first 15% net annualized; 30% thereafter; quarterly crystallization Class B – 20% on first 15% net annualized; 30% thereafter; monthly crystallization Class C – 20% on first 15% net annualized; 30% thereafter; monthly crystallization	Class A – 30%; quarterly crystallization Class B – 20% on first 15% net annualized; 30% thereafter; monthly crystallization Class C – 30%; annual crystallization
<b>Redemption Frequency</b>	Annually	Class A – Quarterly Class B – Monthly Class C – Monthly	Class A – Quarterly Class B – Monthly Class C – Annual
<b>Redemption Notice Period</b>	90 days	Class A, B, C – 90 days	Class A, B, C – 90 days
<b>Other Liquidity Constraints</b>	25% Fund Level Gate	Class A, B, C - 25% Fund Gate	Class A, B, C - 25% Fund Gate
<b>Minimum Investment</b>	\$500,000	Class A, B, C - \$500,000	Class A, B, C - \$500,000

C. In addition to fees, the Funds bear all costs, fees and expenses incurred in connection with their management and operation. As “pass through” entities, these expenses include the Adviser’s overhead. The Funds’ expenses include: (i) all costs, fees and expenses of the Funds directly

related to the purchase, sale or retention of investments by the Funds (including, but not limited to, brokerage commissions, prime broker fees, initial and variation margin, interest and dividend expense, margins, option premiums, brokerage, floor, exchange, and clearinghouse commissions and fees, other transaction costs and expenses, advisory fees, management fees, performance compensation, including the expenses of any third party investment adviser engaged to manage a portion of a Fund's assets, transmission costs, and related expenses); (ii) all Federal, state and local taxes payable by the Funds; (iii) other expenses, including ordinary and extraordinary indemnification, legal (including, without limitation, costs associated with preparing and making regulatory filings, such as Forms 13D, 13F, 13G, 13H, Form CPO-PQR, Form PF, Form ADV and any other regulatory filings which may arise), accounting, auditing, recordkeeping and administration (including costs associated with third-party administrators to the Funds), travel expenses, supplies, computer, corporate licensing, custodial and clerical expenses (including expenses incurred in preparing and transmitting reports and tax information to investors in the Funds and regulatory authorities and expenses for specialized administrative services), printing and duplication expenses, the expenses of the continuing offering of interests in the Funds, mailing expenses, filing fees and other regular or extraordinary fees and expenses associated with the operation of the Funds; (iv) all interest expenses of the Funds; and (v) all Adviser Expenses (as defined below) allocated by the Firm to the Funds. For additional information regarding brokerage expenses, please see Item 12, Brokerage Practices, below. The Funds may incur expenses associated with indemnification of the Firm and its affiliates, employees and agents.

The Funds bear the portion of the Investment Adviser's operational and ongoing expenses ("Adviser Expenses") that is allocated by the Firm to the Funds as well as the Funds' pro rata share of any such expenses allocated by or on behalf of the Master Fund in connection with its management and operation. Generally, Adviser Expenses will be paid directly to the relevant third party by the Master Fund or the Funds, as applicable; provided that under circumstances in which direct payment is not possible (e.g., in the case of contributions to profit sharing plans), the Funds and/or the Master Fund will reimburse the Firm and its affiliates for such Adviser Expenses and the Firm and its affiliates will ensure that such payments are made as expeditiously as possible, generally on the same business day as the relevant amounts are received from the Funds and/or the Master Fund. Adviser Expenses include: (i) all direct and indirect base compensation, discretionary, performance-based and signing bonuses and other compensation and benefits (including, but not limited to, medical, disability income insurance, life insurance, contributions to profit sharing plans, expenses attributable to employees' memberships in business associations and other benefits), payroll taxes and other compensation expenses (including, but not limited to, severance, overtime, relocation expenses and referral fees) for all employees and consultants (including a performance coach); (ii) all other overhead expenses, including: rent, insurance and technology (including, but not limited to, office space, clerical services, equipment (such as trading screens, software, market information charges and other computer and communications equipment)), licensing, maintenance and consultation services in connection with such equipment), trade publications, telephone, communications, meals, travel and entertainment (including in connection with firm-sponsored off site events); (iii) all ordinary and extraordinary legal, accounting, auditing, recordkeeping and administration expenses (including costs associated with preparing and making regulatory filings, such as Forms 13D, 13F, 13G, 13H, Form CPO-PQR, Form PF, Form ADV and any other regulatory filings which may arise); and (iv) all other expenses as the Investment Adviser shall determine. The Adviser Expenses may be considered additional

compensation payable by the Funds. The Adviser Expenses are expected to be substantial regardless of the performance of the Funds. Such expenses, including the Adviser Expenses, are determined without an “arms’ length” negotiation with any third party and may be significant. There is no limitation on the amount of expenses that may be charged to the Funds.

Additionally, investors that choose to participate in “new issues,” as defined under the rules of the Financial Industry Regulatory Authority (FINRA), will absorb all expenses associated with participation in the new issues for which they receive an allocation. The Firm makes an expense allocation to investors who participate in new issues of 20% of the performance generated by new issues received as its estimate of such expenses. .

- D. The timing of the payment of management fees, which varies based on the Fund and share class in which the investor is invested, is specified in the offering memorandum for the relevant fund. Where Management Fees are paid in advance, investors are not permitted to redeem prior to the end of the period for which the Management Fee has been paid, and thus investors are not entitled to a refund of the Management Fee paid with respect to such period. Where Management Fees are paid in arrears, if there is a withdrawal or distribution from a capital account of an investor other than the last day of the period for which the Management Fee will be paid, the Management Fee payable by the Fund with respect to such capital account shall be prorated for any such partial period and debited to the capital account of such investor.
- E. Neither the Firm nor any of its 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.

#### **Item 6 – Performance-Based Fees and Side-by-Side Management**

With regards to performance-based fees, the Firm or the General Partner, an affiliate of the Firm, is entitled to receive an incentive fee or incentive allocation from the Funds (the “Incentive Amount”). The Incentive Amount for each class of investor is summarized above and described in detail in the offering memoranda for the Funds. The General Partner may, in its sole discretion, reduce, waive or calculate differently the Incentive Amount with respect to any or all investors, as it may designate. Such fees may also be subject to individualized negotiation.

With regards to side-by-side management, the Firm does not manage investment vehicles that are not charged an Incentive Amount, and therefore does not on this basis face conflicts of interest in the allocation of limited investment opportunities between Funds. Moreover, the Firm makes its investments through a master-feeder structure which mitigates the risk of unfair allocation among Funds.

Side Letters. The Firm has entered into agreements (“Side Letters”) on behalf of the Funds with certain investors that will result in different terms of an investment than the terms applicable to other investors. As a result of such Side Letters, certain investors receive additional benefits such as more favorable fee arrangements or liquidity terms that other investors will not receive. In particular, fees are waived for investments in the Funds made by employees of the Firm. Except as required by law, in general, the Firm will not be required to notify any or all of the other investors of any such Side Letters or any of the rights and/or terms or provisions thereof, nor will the Firm

be required to offer such additional and/or different rights and/or terms to any or all of the other investors.

The Firm discloses, for risk evaluation purposes, risk reports and certain information concerning portfolio composition, in response to requests from certain investors and prospective investors. The Firm will provide this information to such entities as it chooses in its sole discretion and may refuse to provide this information to any such entity at any time. In addition, investors in the course of conducting due diligence may request information pertaining to their investments and pertaining to the Firm and its affiliates (either verbally or in writing), including information that is not generally made available to all investors. The Firm may respond to such requests without providing relevant information to all other investors and will generally be under no obligation to update any such information. The Firm is generally available to receive reasonable requests from investors about their investments in the Funds. However, the Firm reserves the right to determine, in its sole discretion, what information is appropriate to provide in response to inquiries from investors.

### **Item 7 – Types of Clients**

The Firm provides portfolio management services to pooled investment vehicles that are exempt from registration under the Investment Company Act.

In general, the minimum initial investment in a Fund managed by the Firm is \$500,000, depending on the fund and share class in which the investor invests. The amount of the minimum initial investment may be waived at any time, or in the future increased or decreased, at the discretion of the Firm.

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

- A. Methods of Analysis. The Firm's investment approach is to seek capital appreciation primarily through short-term trading in the equity and options markets. The Firm also seeks to enhance its portfolio returns through internally-generated "alpha capture" strategies and dynamic models, including internally-generated quantitative "alpha capture" strategies that seek to maximize the Funds' risk-adjusted returns through an algorithmic process that analyzes trades and positions in the Master Fund and recommends additional transactions to adjust or resize existing portfolio holdings. In addition to the short-term trading activity, some of the Firm's investment strategies may be characterized as risk arbitrage, arbitrage, volatility trading or value investing. Risk arbitrage involves the trading of securities in companies involved in takeover-related or other special situations. Arbitrage involves the making of relatively small profits from temporary distortions in the price relationships between related markets, as opposed to attempting to profit from correct projections of market direction. Volatility strategies seek appreciation through the use of options or other derivative securities, whose prices are based primarily on the volatility expectations of the underlying investments. Value investing involves the purchase of securities at discounts to the perceived intrinsic value of enterprise with a longer-term holding in mind. The Firm is not limited in the investment strategies, instruments or markets that it may employ, or discontinue, and may invest in other markets and pursue other investment strategies opportunistically.

The Firm selects securities based primarily on the following factors: (i) research, including in-house and third-party market research which is reviewed daily, with a focus on fundamental analysis, (ii) a view of the overall market or sectors of the market, either long or short, (iii) volume and price changes where the volume of shares traded may indicate a profitable trading opportunity and (iv) interactions with a large number of research analysts, sales coverage and traders from major brokerage firms, industry experts and representatives of publicly traded companies which help the Firm stay abreast of new developments and may result in opportunistic securities purchases. In addition, the Firm may, in its discretion, from time to time delegate investment discretion over some or all of the Master Funds' assets to an unaffiliated third party investment manager. Under such circumstances, the Master Fund would incur management fees from the third-party managers that are in addition to the Management Fees charged by the Firm.

Additional details concerning the investment program of each Fund are detailed in such Fund's offering documents. Investing in securities inherently involves the risk of loss that investors should be prepared to bear.

- B. Investment strategy. The Firm's primary investment strategy involves the frequent trading of securities, which incurs substantial brokerage commissions and expenses related to trading that can substantially increase taxes and diminish investment returns. The Firm's investment strategy entails many risks, the most significant of which are summarized in response to Item C., below. Investors are encouraged to carefully review the more detailed description of risks that is contained in the private offering memorandum for the relevant Fund to which they have subscribed.
- C. Risk factors. Investing in securities involves the risk of loss, including the potential loss of principal invested, which investors should be prepared to bear. Significant risks associated with the Firm's securities trading and investment strategies implemented by the Firm through investments in the Master Fund are described below. Investors are encouraged to carefully review the more detailed description of risks that is contained in the private offering memorandum for the relevant Fund to which they invest.
- **Risk of Loss.** No guarantee or representation is made that the Master Fund's investment program, including, without limitation, the Master Fund's investment objective, diversification strategies or risk monitoring goals, will be successful. Investment results may vary substantially over time. *No assurance can be made that profits will be achieved or that substantial or complete losses will not be incurred. Past investment results of the Master Fund and the Investment Adviser (or investments otherwise made by the investment professionals of the Investment Adviser) are not necessarily indicative of their future performance.*
  - **General Economic and Market Conditions.** The success of the Master Fund's activities will be affected by general economic and market conditions, such as interest rates, availability of credit, credit defaults, inflation rates, economic uncertainty, changes in laws (including laws relating to taxation of the Master Fund's investments), trade barriers, currency exchange controls, and national and international political circumstances (including wars, terrorist acts or security operations). These factors may affect the level and volatility of the prices and the liquidity of the Master Fund's

investments. Volatility or illiquidity could impair the Master Fund's profitability or result in losses. The Master Fund may maintain substantial trading positions that can be adversely affected by the level of volatility in the financial markets.

- **Long/Short.** The success of the Master Fund's long/short investment strategy depends upon the Investment Adviser's ability to identify and purchase Securities that are undervalued and identify and sell short Securities that are overvalued. The identification of investment opportunities in the implementation of the Master Fund's long/short investment strategies is a difficult task, and there are no assurances that such opportunities will be successfully recognized or acquired. In the event that the perceived opportunities underlying the Master Fund's positions were to fail to converge toward, or were to diverge further from values expected by the Investment Adviser, the Master Fund may incur a loss. In the event of market disruptions, significant losses can be incurred which may force the Master Fund to close out one or more positions. Furthermore, the valuation models used to determine whether a position presents an attractive opportunity consistent with the Investment Adviser's long/short strategies may become outdated and inaccurate as market conditions change.
- **Short Selling.** The success of the Master Fund's short selling investment strategy depends upon the Investment Adviser's ability to identify and sell short Securities that are overvalued. A short sale creates the risk of a theoretically unlimited loss, in that the price of the underlying Security could theoretically increase without limit, thus increasing the cost to the Master Fund of buying those Securities to cover the short position. There can be no assurance that the Master Fund will be able to maintain the ability to borrow Securities sold short. In such cases, the Master Fund can be "bought in" (*i.e.*, forced to repurchase Securities in the open market to return to the lender). There also can be no assurance that the Securities necessary to cover a short position will be available for purchase at or near prices quoted in the market. Purchasing Securities to close out a short position can itself cause the price of the Securities to rise further, thereby exacerbating the loss. Short strategies can also be implemented synthetically through various instruments and be used with respect to indices or in the OTC market and with respect to futures and other instruments. In some cases of synthetic short sales, there is no floating supply of an underlying instrument with which to cover or close out a short position and the Master Fund may be entirely dependent on the willingness of OTC market makers to quote prices at which the synthetic short position may be unwound. There can be no assurance that such market makers will be willing to make such quotes. Short strategies can also be implemented on a leveraged basis. Lastly, even though the Master Fund secures a "good borrow" of the Security sold short at the time of execution, the lending institution may recall the lent Security at any time, thereby forcing the Master Fund to purchase the Security at the then-prevailing market price, which may be higher than the price at which such Security was originally sold short by the Master Fund.
- **Long-Term.** The success of the Master Fund's long-term investment strategy depends upon the Investment Adviser's ability to identify and purchase Securities that are undervalued and hold such investments so as to maximize value on a long-term basis. In pursuing any long-term strategy, the Master Fund may forego value in the short-term or temporary investments in order to be able to avail the Master Fund of additional and/or longer-term opportunities in the future. Consequently, the Master Fund may not

capture maximum available value in the short-term, which may be disadvantageous, for example, for investors who withdraw all or a portion of their capital accounts before such long-term value may be realized by the Master Fund.

- **Merger Arbitrage.** The success of the Master Fund's merger or "risk" arbitrage strategy depends upon the Investment Adviser's ability to identify and exploit merger activity to capture (or sell short) the spread between current market values of Securities and their values after successful completion of a merger, restructuring or similar corporate transaction. Merger arbitrage investments often incur significant losses when anticipated merger or acquisition transactions are not consummated. The consummation of mergers, tender offers and exchange offers can be prevented or delayed by a variety of factors, including: (i) regulatory and antitrust restrictions; (ii) political factors; (iii) industry weakness; (iv) stock-specific events; and (v) failed financings. Merger arbitrage positions also are subject to the risk of overall market movements. To the extent that a general increase or decline in equity values affects the stocks involved in a merger arbitrage position differently, the position may be exposed to loss. Merger arbitrage strategies also depend for success on the overall volume of merger activity, which historically has been cyclical in nature.
- **Short-Term Market Considerations.** The Investment Adviser's trading decisions at the Master Fund may be made on the basis of short-term market considerations, and the portfolio turnover rate could result in significant trading related expenses.
- **Equity Securities Generally.** The value of equity securities of public and private, listed and unlisted companies and equity derivatives generally varies with the performance of the issuer and movements in the equity markets. As a result, the Master Fund may suffer losses if it invests in equity instruments of issuers whose performance diverges from the Investment Adviser's expectations or if equity markets generally move in a single direction and the Master Fund has not hedged against such a general move. The Master Fund also may be exposed to risks that issuers will not fulfill contractual obligations such as, in the case of convertible securities or private placements, delivering marketable common stock upon conversions of convertible securities and registering restricted securities for public resale.
- **Exchange Traded Funds.** Exchange Traded Funds ("ETFs") are publicly traded unit investment trusts, open-end funds or depository receipts that seek to track the performance and dividend yield of specific indices or companies in related industries. These indices may be either broad-based, sector, or international. However, ETF shareholders are generally subject to the same risk as holders of the underlying Securities they are designed to track. ETFs are also subject to certain additional risks, including, without limitation, the risk that their prices may not correlate perfectly with changes in the prices of the underlying Securities they are designed to track, and the risk of trading in an ETF halting due to market conditions or other reasons, based on the policies of the exchange upon which the ETF trades. Generally, each shareholder of an ETF bears a *pro rata* portion of the ETF's expenses. Accordingly, in addition to bearing their proportionate share of the Master Fund's expenses (*e.g.*, management fees and operating expenses), investors may also indirectly bear similar expenses of an ETF.

- **Diversification and Concentration.** The Investment Adviser may select investments at the Master Fund that are concentrated in a limited number or types of Securities. In addition, the Master Fund's portfolio may become significantly concentrated in Securities related to a single or a limited number of issuers, industries, sectors, strategies, countries or geographic regions. This limited diversification may result in the concentration of risk, which, in turn, could expose the Master Fund to losses disproportionate to market movements in general if there are disproportionately greater adverse price movements in such Securities.
- **Competition; Availability of Investments.** Certain markets in which the Master Fund may invest are extremely competitive for attractive investment opportunities. As a result, there can be no assurance that the Investment Adviser will be able to identify or successfully pursue attractive investment opportunities in such environments.
- **Volatility Risk.** The Master Fund's investment program may involve the purchase and sale of relatively volatile securities and/or investments in volatile markets. Fluctuations or prolonged changes in the volatility of such securities and/or markets can adversely affect the value of investments held by the Master Fund.
- **Credit Ratings.** In general, the credit rating assigned by a nationally recognized rating agency to a security represents such rating agency's opinion of the safety of the principal and interest payments of the rated instrument based on available information. Such ratings are relative and subjective; they are not absolute standards of quality and do not evaluate the market value risk of such securities. Such ratings also do not reflect macroeconomic or systemic risk, including the risk of increased illiquidity in the credit markets. Further, credit ratings may change over time due to various factors, including changes in the creditworthiness of the issuer and/or changes in the rating agency's analytics and processes. It is possible that a rating agency might not change its rating of a particular issue on a timely basis to reflect subsequent events and, as a result, outstanding ratings may not reflect the issuer's current credit standing. The Master Fund may incur losses if it makes investments based on credit ratings that subsequently change in a way not favorable to the Master Fund's investment objective.
- **Co-Investments with Third Parties.** The Master Fund may co-invest with third parties through joint ventures or other entities. Third-party involvement with an investment may negatively impact the returns of such investment if, for example, the third-party co-venturer has financial difficulties, has economic or business interests or goals that are inconsistent with those of the Master Fund or is in a position to take (or block) action in a manner contrary to the Master Fund's investment objective. In circumstances where such third parties involve a management group, such third parties may enter into compensation arrangements relating to such investments, including incentive compensation arrangements. Such compensation arrangements will reduce the returns to participants in the investments.
- **Significant Positions in Securities; Regulatory Requirements.** In the event that the Master Fund acquires a significant stake in certain issuers of securities and such stake exceeds certain percentage or value limits, the Master Fund may be subject to regulation and regulatory oversight that may impose notification and filing requirements or other administrative burdens on the Master Fund and the Investment Adviser. Any such

requirements may impose additional costs on the Master Fund and may delay the acquisition or disposition of the securities or the Master Fund's ability to respond in a timely manner to changes in the markets with respect to such securities.

In addition, "position limits" may be imposed by various regulators that may limit the Master Fund's ability to effect desired trades. Position limits are the maximum amounts of gross, net long or net short positions that any one person or entity may own or control in a particular issuer's securities. All positions owned or controlled by the same person or entity, even if in different accounts, may be aggregated for purposes of determining whether the applicable position limits have been exceeded. To the extent that the Master Fund's position limits were aggregated with an affiliate's position limits, the effect on the Master Fund and resulting restriction on its investment activities may be significant. If at any time positions managed by the Investment Adviser were to exceed applicable position limits, the Investment Adviser would be required to liquidate positions, which might include positions of the Master Fund, to the extent necessary to come within those limits. Further, to avoid exceeding any position limits, the Master Fund might have to forgo or modify certain of its contemplated trades.

In addition, if the Master Fund, acting alone or as part of a group, acquires beneficial ownership of more than 10% of a certain class of securities of a public company or places a director on the board of directors of such a company, under Section 16 of Exchange Act, the Master Fund may be subject to certain additional reporting requirements and may be required to disgorge certain short-swing profits arising from purchases and sales of such securities. Furthermore, in such circumstances the Master Fund will be prohibited from entering into a short position in such issuer's securities, and therefore limited in its ability to hedge such investments. Similar restrictions and requirements may apply in non-U.S. jurisdictions.

- **Litigation Risk.** Some of the tactics that the Investment Adviser may use involve litigation. The Master Fund could be a party to lawsuits either initiated by it, or by a company in which the Master Fund invests, other shareholders of such company, or U.S. federal, state and non-U.S. governmental bodies. There can be no assurance that any such litigation, once begun, would be resolved in favor of the Master Fund.
- **Exposure to Material Non-Public Information.** From time to time, the Investment Adviser may receive material non-public information with respect to an issuer of publicly traded securities. In such circumstances, the Master Fund may be prohibited, by law, policy or contract, for a period of time from (i) unwinding a position in such issuer, (ii) establishing an initial position or taking any greater position in such issuer, and (iii) pursuing other investment opportunities related to such issuer.
- **Non-U.S. Exchanges.** The Master Fund may trade on exchanges or markets located outside the U.S. Trading on such exchanges or markets is not regulated by the SEC and the CFTC and may, therefore, be subject to more risks than trading on U.S. exchanges, such as the risks of exchange controls, expropriation, burdensome taxation, moratoria and political or diplomatic events. Risks in investments in non-U.S. Securities may also include reduced and less reliable information about issuers and markets, less stringent accounting standards, illiquidity of securities and markets, higher brokerage commissions and custody fees.

- **Non-U.S. Investments.** Investing in the Securities of companies (and, from time to time, governments) outside of the United States involves certain considerations not usually associated with investing in Securities of U.S. companies or the U.S. government, including political and economic considerations, such as greater risks of expropriation, nationalization, confiscatory taxation, imposition of withholding or other taxes on interest, dividends, capital gains, other income or gross sale or disposition proceeds, limitations on the removal of assets and general social, political and economic instability; the relatively 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; the evolving and unsophisticated laws and regulations applicable to the securities and financial services industries of certain countries; fluctuations in the rate of exchange between currencies and costs associated with currency conversion; and certain government policies that may restrict the Master Fund's investment opportunities. In addition, accounting and financial reporting standards that prevail outside of the U.S. generally are not as high as U.S. standards and, consequently, less information is typically available concerning companies located outside of the U.S. than for those located in the U.S. As a result, the Master Fund may be unable to structure its transactions to achieve the intended results or to mitigate all risks associated with such markets. It may also be difficult to enforce the Master Fund's rights in such markets. For example, Securities traded on non-U.S. exchanges and the non-U.S. persons that trade these instruments are not subject to the jurisdiction of the SEC or the CFTC or the securities and commodities laws and regulations of the U.S. Accordingly, the protections accorded to the Master Fund under such laws and regulations are unavailable for transactions on non-U.S. exchanges and with non-U.S. counterparties.
- **Currency Exchange Exposure.** The Master Fund may invest in securities and other instruments denominated in currencies other than the U.S. Dollar. The Master Fund, however, values its investments in U.S. Dollars. The Master Fund may or may not seek to hedge its non-U.S. currency exposure by entering into currency hedging transactions. There can be no guarantee that instruments suitable for hedging currency or market shifts will be available at the time when the Master Fund wishes to use them, or that hedging techniques employed by the Master Fund will be effective. Furthermore, certain currency market risks may not be fully hedged or hedged at all. To the extent unhedged, the value of the Master Fund's positions denominated in currencies other than the U.S. Dollar will fluctuate with U.S. Dollar exchange rates as well as with the price changes of the investments in the various local markets and currencies.
- **Discretion of the Investment Adviser; New Strategies and Techniques.** While the Investment Adviser will generally seek to employ the representative investment strategies and techniques discussed herein, the Investment Adviser (subject to the policies and control of the General Partner, in its capacity as general partner of the Master Fund) has considerable discretion in the types of Securities the Master Fund may trade and has the right to modify the investment strategies and techniques of the Master Fund without the consent of the investors. New investment strategies and techniques may not be thoroughly tested in the market before being employed and may have operational or theoretical shortcomings which could result in unsuccessful trades and, ultimately, losses to the Master Fund. In addition, any new investment strategy or technique developed by the Master Fund may be more speculative than earlier investment strategies and techniques

and may involve material and as-yet-unanticipated risks that could increase the risk of an investment in the Master Fund.

- **Counterparty Risk.** The Master Fund expects to establish relationships to obtain financing, derivative intermediation and prime brokerage services that permit it to trade in any variety of markets or asset classes over time. However, there can be no assurance that it will be able to establish or maintain such relationships. An inability to establish or maintain such relationships could limit the Master Fund's trading activities, create losses, preclude the Master Fund from engaging in certain transactions or prevent the Master Fund from trading at optimal rates and terms. Moreover, a disruption in the financing, derivative intermediation and prime brokerage services provided by any such relationships could have a significant impact on the Master Fund's business due to its reliance on such counterparties.

The Master Fund may effect transactions in the OTC derivatives markets. The stability and liquidity of OTC derivatives transactions depends in large part on the creditworthiness of the parties to the transactions. In the OTC markets, the Master Fund enters into a contract directly with dealer counterparties which may expose the Master Fund to the risk that a counterparty will not settle a transaction in accordance with its terms because of a solvency or liquidity problem with the counterparty. Delays in settlement may also result from disputes over the terms of the contract (whether or not bona fide). In addition, the Master Fund may have a concentrated risk in a particular counterparty, which may mean that if such counterparty were to become insolvent or have a liquidity problem, losses would be greater than if the Master Fund had entered into contracts with multiple counterparties. Certain OTC derivative contracts require that the Master Fund post collateral.

If there is a default by a counterparty, the Master Fund under most normal circumstances will have contractual remedies pursuant to the agreements related to the transaction. However, exercising such contractual rights may involve delays or costs which could result in the net asset value of the Master Fund being less than if the Master Fund had not entered into the transaction. Furthermore, there is a risk that any of such counterparties could become insolvent and/or the subject of insolvency proceedings. In such case, the recovery of the Master Fund's investment instruments from such counterparty or the payment of claims therefor may be significantly delayed and the Master Fund may recover substantially less than the full value of the investment instruments entrusted to such counterparty. In addition, there are a number of proposed rules that, if they were to go into effect, may impact the laws that apply to insolvency proceedings and may impact whether the Master Fund may terminate its agreement with an insolvent counterparty.

Collateral that the Master Fund posts to its counterparties that is not segregated with a third party custodian may not have the benefit of customer-protected "segregation" of such funds. In the event that a counterparty were to become insolvent, the Master Fund may become subject to the risk that it may not receive the return of its collateral or that the collateral may take some time to return.

In addition, the Master Fund may use counterparties located in jurisdictions outside the United States. Such local counterparties usually are subject to laws and regulations in

non-U.S. jurisdictions that are designed to protect customers in the event of their insolvency. However, the practical effect of these laws and their application to the Master Fund's assets are subject to substantial limitations and uncertainties. Because of the range of possible factual scenarios involving the insolvency of a counterparty and the potentially large number of entities and jurisdictions that may be involved, it is impossible to generalize about the effect of such an insolvency on the Master Fund and its assets. Investors should assume that the insolvency of any such counterparty would result in significant delays in recovering the Master Fund's Securities from or the payment of claims therefor by such counterparty and a loss to the Master Fund, which could be material.

- **Leverage and Borrowing.**

*Leverage for Investment Purposes.* The use of leverage will allow the Master Fund to make additional investments, thereby increasing its exposure to assets, such that its total assets may be greater than its capital. However, leverage will also magnify the volatility of changes in the value of the Master Fund's portfolio. The effect of the use of leverage by the Master Fund in a market that moves adversely to its investments could result in substantial losses to the Master Fund, which would be greater than if the Master Fund were not leveraged.

*Borrowing for Cash Management Purposes.* The Master Fund has the authority to borrow for cash management purposes, such as to satisfy withdrawal requests. The rates at and terms on which the Master Fund can borrow will affect the operating results of the Master Fund.

*Collateral.* The instruments and borrowings utilized by the Master Fund to leverage investments may be collateralized by all or a portion of the Master Fund's portfolio. Accordingly, the Master Fund may pledge its Securities in order to borrow or otherwise obtain leverage for investment or other purposes. Should the Securities pledged to brokers to secure the Master Fund's margin accounts decline in value, the Master Fund could be subject to a "margin call", pursuant to which the Master Fund must either deposit additional funds or Securities with the broker or suffer mandatory liquidation of the pledged Securities to compensate for the decline in value. The banks and dealers that provide financing to the Master Fund can apply essentially discretionary margin, "haircut", financing and collateral valuation policies. Changes by counterparties in any of the foregoing may result in large margin calls, loss of financing and forced liquidations of positions at disadvantageous prices. Lenders that provide other types of asset-based or secured financing to the Master Fund may have similar rights. There can be no assurance that the Master Fund will be able to secure or maintain adequate financing.

*Costs.* Borrowings will be subject to interest, transaction and other costs, and other types of leverage also involve transaction and other costs. Any such costs may or may not be recovered by the return on the Master Fund's portfolio.

- **Lending of Portfolio Securities.** The Master Fund may lend securities on a collateralized and an uncollateralized basis from its portfolio to creditworthy securities firms and financial institutions. While a securities loan is outstanding, the Master Fund will continue

to receive the equivalent of the interest or dividends paid by the issuer on the securities, as well as interest on the investment of the collateral or a fee from the borrower. The risks in lending securities, as with other extensions of secured credit, if any, consist of possible delay in receiving additional collateral, if any, or in recovery of the securities or possible loss of rights in the collateral, if any, should the borrower fail financially.

- **Structured Product Arbitrage.** The success of the Master Fund's structured product arbitrage strategy depends upon the Investment Adviser's ability to identify and exploit the inefficient pricing of portfolio risk and the implicit correlations of time to default with respect to various categories of structured products and derivatives. In the event that the perceived mispricings underlying the Master Fund's positions were incorrect, the Master Fund could incur losses. In addition, the lack of an established, liquid secondary market for some structured products (including collateralized debt obligations) may make it difficult to realize the perceived value of such Securities.
- **Initial Public Offerings.** Investments in initial public offerings (or shortly thereafter) may involve higher risks than investments issued in secondary public offerings or purchases on a secondary market due to a variety of factors, including, without limitation, the limited number of shares available for trading, unseasoned trading, lack of investor knowledge of the issuer and limited operating history of the issuer. In addition, some companies in initial public offerings are involved in relatively new industries or lines of business, which may not be widely understood by investors. Some of these companies may be undercapitalized or regarded as developmental stage companies, without revenues or operating income, or the near-term prospects of achieving them. These factors may contribute to substantial price volatility for such securities and, thus, for the value of the Funds' shares.
- **PIPE or CMPO Transactions.** Private investments in public companies whose stocks are quoted on stock exchanges or which trade in the OTC securities market, a type of investment commonly referred to as a "PIPE" or "CMPO" transaction, may be entered into with smaller capitalization public companies, which will entail business and financial risks comparable to those of investments in the publicly-issued securities of smaller capitalization companies, which may be less likely to be able to weather business or cyclical downturns than larger companies and are more likely to be substantially hurt by the loss of a few key personnel. In addition, PIPE or CMPO transactions will generally result in the Master Fund acquiring either restricted stock or an instrument convertible into restricted stock. As with investments in other types of restricted securities, such an investment may be illiquid. The Master Fund's ability to dispose of securities acquired in PIPE or CMPO transactions may depend on the registration of such securities for resale. Any number of factors may prevent or delay a proposed registration. Alternatively, it may be possible for securities acquired in a PIPE or CMPO transaction to be resold in transactions exempt from registration in accordance with Rule 144 under the Securities Act, or otherwise under the U.S. federal securities laws. There can be no guarantee that there will be an active or liquid market for the stock of any small capitalization company due to the possible small number of stockholders. As a result, even if the Master Fund is able to have securities acquired in a PIPE or CMPO transaction registered or sell such securities through an exempt transaction, the Master Fund may not be able to sell all the securities on short notice, and the sale of the securities could lower the market price of the securities. There is no

guarantee that an active trading market for the securities will exist at the time of disposition of the securities, and the lack of such a market could hurt the market value of the Master Fund's investments.

- **Lack of Control.** The Master Fund may invest in debt instruments and equity securities of companies that it does not control, which the Master Fund may acquire through market transactions or through purchases of securities directly from the issuer or other shareholders. Such Securities will be subject to the risk that the issuer may make business, financial or management decisions with which the Master Fund does not agree or that the majority stakeholders or the management of the issuer may take risks or otherwise act in a manner that does not serve the Master Fund's interests. In addition, the Master Fund may share control over certain investments with co-investors, which may make it more difficult for the Master Fund to implement its investment approach or exit the investment when it otherwise would. The occurrence of any of the foregoing could have a material adverse effect on the Funds and the investors' investments therein.
- **Hedging Transactions.** The Master Fund may utilize Securities for risk management purposes in order to: (i) protect against possible changes in the market value of the Master Fund's investment portfolio resulting from fluctuations in the markets and changes in interest rates; (ii) protect the Master Fund's unrealized gains in the value of its investment portfolio; (iii) facilitate the sale of any Securities; (iv) enhance or preserve returns, spreads or gains on any Security in the Master Fund's portfolio; (v) hedge against a directional trade; (vi) hedge the interest rate, credit or currency exchange rate on any of the Master Fund's Securities; (vii) protect against any increase in the price of any Securities the Master Fund anticipates purchasing at a later date; or (viii) act for any other reason that the Investment Adviser deems appropriate. The Master Fund will not be required to hedge any particular risk in connection with a particular transaction or its portfolio generally. The Investment Adviser may be unable to anticipate the occurrence of a particular risk and, therefore, may be unable to attempt to hedge against it. While the Master Fund may enter into hedging transactions to seek to reduce risk, such transactions may result in a poorer overall performance for the Master Fund than if it had not engaged in any such hedging transaction. Moreover, the portfolio will always be exposed to certain risks that cannot be hedged.

Multiple portfolio managers of the Investment Adviser will be trading on behalf of the Master Fund at any given time. It is possible that a portfolio manager will invest in a position that is economically offset, in whole or in part, by a position taken by another portfolio manager. In such circumstances, the Funds and the Master Fund may bear transaction expenses without achieving the economic exposure sought by the portfolio managers.

- **Fundamental Analysis.** Certain trading decisions made by the Investment Adviser for the Master Fund may be based on fundamental analysis. Data on which fundamental analysis relies may be inaccurate or may be generally available to other market participants. To the extent that any such data are inaccurate or that other market participants have developed, based on such data, trading strategies similar to the Master Fund's trading strategies, the Master Fund may not be able to realize its investment goals. In addition, fundamental market information is subject to interpretation. To the

extent that the Investment Adviser misinterprets the meaning of certain data, the Master Fund may incur losses.

- **Trend Following.** Certain trading decisions made by the Investment Adviser for the Master Fund may be based on trend following. Any factor that would lessen the prospect of major trends occurring in the future (such as increased governmental control of, or participation in, the financial markets) may reduce the prospect that a particular trading method or strategy will be profitable in the future. In the past, there have been periods without discernible trends and, presumably, such periods will continue to occur in the future. Moreover, any factor that would make it more difficult to execute trades at desired prices in accordance with the signals of the trading method or strategy (such as a significant lessening of liquidity in a particular market) would also be detrimental to profitability. Further, many managers' trading methods utilize similar analyses in making trading decisions. Therefore, bunching of buy and sell orders can occur, which makes it more difficult for a position to be taken or liquidated.

- **Quantitative Analysis**

*Model and Data Risk.* The Investment Adviser, in part, relies on quantitative models developed by the Investment Adviser or supplied by third parties and information and data supplied by third parties ("Models and Data") rather than granting trade-by-trade discretion to the Investment Adviser's investment professionals.

When Models and Data prove to be incorrect, misleading or incomplete, any decisions made in reliance thereon expose the Master Fund to potential risks. For example, by relying on Models and Data, the Investment Adviser may be induced to buy certain existing investments at prices that are too high or to sell certain other existing investments at prices that are too low.

All models rely on correct market data inputs. If incorrect market data is entered into even a well-founded model, the resulting valuations will be incorrect. However, even if market data is input correctly, "model prices" will often differ substantially from market prices, especially for securities with complex characteristics, such as derivative securities.

The research and modeling process engaged in by third parties employed by the Investment Adviser is extremely complex and involves financial, economic, econometric and statistical theories, research and modeling; the results of that process must then be translated into computer code. The complexity of the individual tasks, the difficulty of integrating such tasks, and the limited ability to perform "real world" testing of the end product raise the chances that the finished model may contain an error; one or more of such errors could adversely affect the Master Fund's performance and likely would not constitute a trade error under the Investment Adviser's policies or the Funds' organizational documents.

The Investment Adviser utilizes both traditional, fundamental analysis as well as model and program-driven algorithmic investment processes. These two investment processes are operated separately and independently; as a result, at times, trade orders may be placed for a single client at the same time which are offsetting positions, and it is

possible that some of these may be filled against each other. While the Investment Adviser has policies and procedures intended to reduce the chances of "self-trades" occurring, it is likely that they will occur from time to time. Historically, regulators and self-regulatory organizations have typically held that self-trades are presumptively manipulative and, while the Investment Adviser would attempt to demonstrate that any self-trades involving the Master Fund are inadvertent and not manipulative, there is a risk that an exchange or another regulator would commence an action against the Investment Adviser.

- **Systems and Operational Risks.** The Master Fund depends on the Investment Adviser to develop and implement appropriate systems for its activities. The Master Fund relies heavily and on a daily basis on financial, accounting and other data processing systems to execute, clear and settle transactions across numerous and diverse markets and to evaluate certain investments, to monitor its portfolio and capital, and to generate risk management and other reports that are critical to oversight of the Master Fund's activities. In addition, the Funds rely on information systems to store sensitive information about the Master Fund, the Investment Adviser, their affiliates and the investors in the Funds. Certain of the Fund's and the Investment Adviser's activities will be dependent upon systems operated by third parties, including prime brokers, the Funds' administrators, market counterparties and other service providers, and the Investment Adviser may not be in a position to verify the risks or reliability of such third-party systems. Failures in the systems employed by the Investment Adviser, prime brokers, the Funds' administrators, counterparties, exchanges and similar clearance and settlement facilities and other parties could result in mistakes made in the confirmation or settlement of transactions, or in transactions not being properly booked, evaluated or accounted for. Disruptions in the Master Fund's operations may cause the Funds to suffer, among other things, financial loss, the disruption of its business, liability to third parties, regulatory intervention or reputational damage. Any of the foregoing failures or disruptions could have a material adverse effect on the Funds and the investors' investments therein.
- **Micro-, Small- and Medium-Capitalization Companies.** Investments in securities of micro- and small-capitalization companies involve higher risks in some respects than do investments in securities of larger "blue-chip" companies. For example, prices of securities of micro- and small-capitalization and even medium-capitalization companies are often more volatile than prices of securities of large-capitalization companies and may not be based on standard pricing models that are applicable to securities of large-capitalization companies. Furthermore, the risk of bankruptcy or insolvency of many smaller companies (with the attendant losses to investors) may be higher than for larger, "blue-chip" companies. Finally, due to thin trading in the securities of some micro- and small-capitalization companies, an investment in those companies may be illiquid.
- **Derivative Instruments Generally.** Certain swaps, options and other derivative instruments may be subject to various types of risks, including market risk, liquidity risk, credit risk, legal risk and operations risk. The regulatory and tax environment for derivative instruments in which the Master Fund may participate is evolving, and changes in the regulation or taxation of such Securities may have a material adverse effect on the Master Fund.

*Derivatives Regulation.* Since the introduction of the Dodd-Frank Act in 2010, the CFTC has promulgated many final rules related to derivatives and such regulations may negatively affect the Master Fund. Parties that act as dealers in swaps, for example are subject to extensive business conduct standards, additional "know your counterparty" obligations, recordkeeping, reporting, portfolio reconciliation, documentation standards and capital requirements and, when regulations are finalized, will become subject to margin requirements. Similar rules related to security-based swaps will soon be published. Requirements such as these will raise the costs of entering into derivative transactions, and these increased costs will likely be passed on to the Master Fund. The new rules also add additional operational and technological burdens on the Master Fund. Currently, with respect to swaps, the Master Fund must engage in portfolio reconciliation, recordkeeping, reporting and other transaction level obligations, which increase the compliance burdens and costs to the Master Fund. These compliance obligations require certain training of employees and technology, and there are operational risks as the Master Fund implements procedures to comply with many of these additional obligations. Certain swap transactions have become (or will become) subject to anonymous "real time reporting", meaning that transactions entered into by the Master Fund will become visible to the market in ways that may harm the Master Fund's ability to enter into additional transactions at comparable prices or could enable competitors to "front run" or replicate the Master Fund's strategies. In addition, certain swap transactions have become (or will become) subject to mandatory trading on regulated trading venues such as swap execution facilities, which will require the Master Fund to subject itself to regulation by these venues and subject the Master Fund to the jurisdiction of the CFTC. It is not clear whether these trading venues will benefit or impede liquidity, or how they will fare in times of market stress. Trading on these trading venues may increase the pricing discrepancy between assets and their hedges as products may not be able to be executed simultaneously, therefore increasing basis risk. It may also become relatively expensive for the Master Fund to obtain tailored swap products to hedge particular risks in its portfolio due to higher collateral requirements on bilateral transactions as a result of the new regulations. The SEC still is at a nascent stage for implementing rules related to security-based swaps. It is possible that security-based swaps will be subject to different rules and regulations than swaps. Since the division of "swaps" (regulated by the CFTC) and "security-based swaps" (regulated by the SEC) is a regulatory distinction rather than a product distinction, substantively similar products may have significantly different regulatory treatment. This may mean that the operational complexities of trading various derivative instruments is increased. Overall, new regulations may also render certain strategies in which the Master Fund might otherwise engage impossible or so costly that they will no longer be economical to implement. The impact of the Dodd-Frank Act or comparable regulations in other jurisdictions on the Master Fund is uncertain, and it is unclear how the OTC derivatives markets will adapt to this new regulatory regime or any additional regulation in the future.

*Call and Put Options.* The Master Fund may incur risks associated with the sale and purchase of call options and put options. Under a conventional cash-settled option, the purchaser of the option pays a premium in exchange for the right to receive upon exercise of the option (i) in the case of a call option, the excess, if any, of the reference price or value of the underlier (as determined pursuant to the terms of the option) above the option's strike price or (ii) in the case of a put option, the excess, if any, of the

option's strike price above the reference price or value of the underlier (as so determined). Under a conventional physically-settled option structure, the purchaser of a call option has the right to purchase a specified quantity of the underlier at the strike price, and the purchaser of a put option has the right to sell a specified quantity of the underlier at the strike price.

A purchaser of an option may suffer a total loss of premium (plus transaction costs) if that option expires without being exercised. An option's time value (i.e., the component of the option's value that exceeds the in-the-money amount) tends to diminish over time. Even though an option may be in-the-money to the purchaser at various times prior to its expiration date, the purchaser's ability to realize the value of an option depends on when and how the option may be exercised. For example, the terms of the transaction may provide for the option to be exercised automatically if it is in-the-money on the expiration date. Conversely, the terms may require timely delivery of a notice of exercise, and exercise may be subject to other conditions (such as the occurrence or non-occurrence of certain events, such as knock-in, knock-out or other barrier events) and timing requirements, including the "style" of the option.

Uncovered option writing (i.e., selling an option when the seller does not own a like quantity of an offsetting position in the underlier) exposes the seller to potentially significant loss. The potential loss of uncovered call writing is unlimited. The seller of an uncovered call may incur large losses if the reference price or value of the underlier increases above the exercise price by more than the amount of any premiums earned. As with writing uncovered calls, the risk of writing uncovered put options is substantial. The seller of an uncovered put option bears a risk of loss if the reference price or value of the underlier declines below the exercise price by more than the amount of any premiums earned. Such loss could be substantial if there is a significant decline in the value of the underlier.

*Index or Index Options.* The value of an index or index option fluctuates with changes in the market values of the assets included in the index. Because the value of an index or index option depends upon movements in the level of the index rather than the price of a particular asset, whether the Master Fund will realize appreciation or depreciation from the purchase or writing of options on indices depends upon movements in the level of instrument prices in the assets generally or, in the case of certain indices, in an industry or market segment, rather than movements in the price of particular assets.

*Index Futures.* The price of index futures contracts may not correlate perfectly with the movement in the underlying index because of certain market distortions. First, all participants in the futures market are subject to margin deposit and maintenance requirements. Rather than meeting additional margin deposit requirements, participants may close futures contracts through offsetting transactions that would distort the normal relationship between the index and futures markets. Second, from the point of view of speculators, the deposit requirements in the futures market are less onerous than margin requirements in the securities market. Therefore, increased participation by speculators in the futures market also may cause price distortions. Successful use of index futures contracts by the Master Fund also is subject to the Investment Adviser's ability to correctly predict movements in the direction of the market.

*Credit Default Swaps.* Credit default swaps can be used to implement the Investment Adviser's view that a particular credit, or group of credits, will experience credit improvement or deterioration. In the case of expected credit improvement, the Master Fund may sell credit default protection in which it receives a premium to take on the risk. In such an instance, the obligation of the Master Fund to make payments upon the occurrence of a credit event creates leveraged exposure to the credit risk of the referenced entity. The Master Fund may also buy credit default protection with respect to a referenced entity if, in the Investment Adviser's judgment, there is a high likelihood of credit deterioration. In such instance, the Master Fund will pay a premium regardless of whether there is a credit event.

*Futures Contracts.* The value of futures contracts depends upon the price of the Securities, such as commodities, underlying them. The prices of futures contracts are highly volatile, and price movements of futures contracts can be influenced by, among other things, interest rates, changing supply and demand relationships, trade, fiscal, monetary and exchange control programs and policies of governments, as well as national and international political and economic events and policies. In addition, investments in futures contracts are also subject to the risk of the failure of any of the exchanges on which the Master Fund's positions trade or of its clearinghouses or counterparties. Futures positions may be illiquid because certain commodity exchanges limit fluctuations in certain futures contract prices during a single day by regulations referred to as "daily price fluctuation limits" or "daily limits". Under such daily limits, during a single trading day no trades may be executed at prices beyond the daily limits. Once the price of a particular futures contract has increased or decreased by an amount equal to the daily limit, positions in that contract can neither be taken nor liquidated unless traders are willing to effect trades at or within the limit. This could prevent the Master Fund from promptly liquidating unfavorable positions and subject the Master Fund to substantial losses or prevent it from entering into desired trades. Also, low margin or premiums normally required in such trading may provide a large amount of leverage, and a relatively small change in the price of a security or contract can produce a disproportionately larger profit or loss. In extraordinary circumstances, a futures exchange or the CFTC could suspend trading in a particular futures contract, or order liquidation or settlement of all open positions in such contract.

*Non-U.S. Futures Transactions.* Foreign futures transactions involve executing and clearing trades on a foreign exchange. This is the case even if the foreign exchange is formally "linked" to a domestic exchange, whereby a trade executed on one exchange liquidates or establishes a position on the other exchange. No domestic organization regulates the activities of a foreign exchange, including the execution, delivery, and clearing of transactions on such an exchange, and no domestic regulator has the power to compel enforcement of the rules of the foreign exchange or the laws of the foreign country. Moreover, such laws or regulations will vary depending on the foreign country in which the transaction occurs. For these reasons, the Master Fund may not be afforded certain of the protections which apply to domestic transactions, including the right to use domestic alternative dispute resolution procedures. In particular, funds received from customers to margin foreign futures transactions may not be provided the same protections as funds received to margin futures transactions on domestic exchanges. In addition, the price of any foreign futures or option contract and, therefore, the potential profit and loss resulting therefrom, may be affected by any fluctuation in the foreign

exchange rate between the time the order is placed and the time the foreign futures contract is liquidated or the time the foreign option contract is liquidated or exercised.

*Forward Contracts.* The Master Fund may enter into forward contracts and options thereon, including non-deliverable forwards, which are currently not traded through clearinghouses, although this is expected to change. 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 limit such forward trading to less than that which the Investment Adviser would otherwise recommend, to the possible detriment of the Master Fund. In its forward trading, the Master Fund will be subject to the risk of the failure of, or the inability or refusal to perform with respect to its forward contracts by, the principals with which the Master Fund trades. The assets on deposit with such principals will also generally not be protected by the same segregation requirements imposed on certain regulated brokers in respect of customer funds on deposit with them. The Investment Adviser may order trades for the Master Fund in such markets through agents. Accordingly, the insolvency or bankruptcy of such parties could also subject the Master Fund to the risk of loss.

*Contracts for Differences.* Contracts for differences ("CFDs") are privately negotiated contracts between two parties, buyer and seller, stipulating that the seller will pay to or receive from the buyer the difference between the nominal value of the underlying instrument at the opening of the contract and that instrument's value at the end of the contract. The underlying instrument may be a single security, stock basket or index. A CFD can be set up to take either a short or long position on the underlying instrument. The buyer and seller are both required to post margin, which is adjusted daily. The buyer will also pay to the seller a financing rate on the notional amount of the capital employed by the seller less the margin deposit. A CFD is usually terminated at the buyer's initiative. As is the case with owning any financial instrument, there is the risk of loss associated with buying a CFD. There may be liquidity risk if the underlying instrument is illiquid because the liquidity of a CFD is based on the liquidity of the underlying instrument. A further risk is that adverse movements in the underlying security will require the buyer to post additional margin. CFDs also carry counterparty risk, *i.e.*, the risk that the counterparty to the CFD transaction may be unable or unwilling to make payments or to otherwise honor its financial obligations under the terms of the contract. If the counterparty were to do so, the value of the contract may be reduced. Entry into a CFD transaction may, in certain circumstances, require the payment of an initial margin and adverse market movements against the underlying stock may require the buyer to make additional margin payments. CFDs may be considered illiquid. To the extent that there is an imperfect correlation between the return on the Master Fund's obligation to its counterparty under the CFDs and the return on related assets in its portfolio, the CFD transaction may increase the Master Fund's financial risk.

*Failure to Enter into Offsetting Trade.* To the extent the Master Fund invests in a futures contract or long option, unless an offsetting trade is made, the Master Fund would be

required to take physical delivery of the commodity underlying the future or option. To the extent the Investment Adviser fails to enter into such offsetting trade prior to the expiration of the contract, the Master Fund may suffer a loss since neither the Master Fund nor the Investment Adviser has the operational capacity to accept physical delivery of commodities.

*Exotic Options.* Exotic options are typically, but not always, traded OTC. OTC contracts may not trade in a liquid market and pricing may be opaque. The illiquidity of these markets can be exacerbated in times of market stress. The Master Fund may incur substantial costs entering into and exiting positions that could have a material impact on performance. Exotic options may be subject to a higher degree of pricing risk as demonstrated by instances in which different counterparties in the market employ different valuation and pricing methodologies to the same exotic option. Because exotic options can often be highly customised, there is lower visibility with respect to the pricing and valuation of these instruments. Exotic options may be subject to high levels of price volatility. For example, in the case of barrier options, as the price of the asset underlying the option trades closer to a barrier level, the delta of the option (*i.e.*, the ratio of the change in the price of the underlying asset to the corresponding change in the price of the option) and the gamma of the option (*i.e.*, the rate of change of the delta with respect to the underlying asset's price) may become very high. Exotic options may be subject to higher levels of model risk than commonly traded options because standard models are not able to adequately capture or predict the risks associated with the exotic options. Exotic options may be "path dependent". This means that their terminal value (at exercise or expiration) depends upon the value of the underlying asset, not only at the time of exercise or expiration, but also at prior points in time. In this sense, the option's terminal value depends upon the "path" taken by the underlying asset over the life of the option. For example, a barrier option's value at expiration depends upon both the value of the underlying asset at expiration and whether the past value of the underlying asset ever satisfied a barrier condition. In contrast, a vanilla option (*e.g.*, a call option) is not path dependent. Its value at exercise or expiration depends on the value of the underlying asset only at that point in time. The additional features incorporated by exotic options require additional judgments regarding the likelihood of certain conditions being satisfied, any one of which can result in loss if made incorrectly. An OTC option may be closed out only with the counterparty, although either party may engage in an offsetting transaction that puts that party in the same economic position as if it had closed out the option with the counterparty; however, the exposure to counterparty risk may differ. OTC options generally involve greater credit and counterparty risk than exchange-traded options.

- **Distressed Obligations.** The obligations of issuers in weak financial condition, experiencing poor operating results, having substantial capital needs or negative net worth, facing special competitive or product obsolescence problems (including companies involved in bankruptcy or other reorganization and liquidation proceedings) are likely to be particularly risky investments although they also may offer the potential for correspondingly high returns. Among the risks inherent in investments in troubled entities is the risk that it frequently may be difficult to obtain information as to the true condition of such issuers. Such investments may also be adversely affected by laws relating to, among other things, fraudulent transfers and other voidable transfers or payments, lender liability and the bankruptcy court's power to disallow, reduce,

subordinate, recharacterize debt as equity or disenfranchise particular claims. Such companies' obligations may be considered speculative, and the ability of such companies to pay their debts on schedule could be affected by adverse interest rate movements, changes in the general economic climate, economic factors affecting a particular industry or specific developments within such companies. In addition, there is no minimum credit standard that is a prerequisite to the Master Fund's investments in any Security. Obligations in which the Master Fund invests may be less than investment grade. The level of analytical sophistication, both financial and legal, necessary for successful investment in companies experiencing significant business and financial difficulties is unusually high. There is no assurance that value of the assets collateralizing the Master Fund's investments will be sufficient or that prospects for a successful reorganization or similar action will become available. In any reorganization or liquidation proceeding relating to a company in which the Master Fund invests, the Master Fund may lose its entire investment, may be required to accept cash or securities with a value less than its original investment and/or may be required to accept payment over an extended period of time. Under such circumstances, the returns generated from the Master Fund's investments may not compensate the investor adequately for the risks assumed. In addition, under certain circumstances, payments and distributions may be disgorged if any such payment is later determined to have been a fraudulent conveyance or a preferential payment.

In liquidation (both in and out of bankruptcy) and other forms of corporate reorganization, there exists the risk that the reorganization either will be unsuccessful (due to, for example, failure to obtain requisite approvals), will be delayed (for example, until various liabilities, actual or contingent, have been satisfied) or will result in a distribution of cash or a new Security the value of which will be less than the purchase price to the Master Fund of the Security in respect to which such distribution was made.

- **Debt Securities Generally.** Debt securities of all types of issuers may have speculative characteristics, regardless of whether they are rated. The issuers of such instruments (including sovereign issuers) may face significant ongoing uncertainties and exposure to adverse conditions that may undermine the issuer's ability to make timely payment of interest and principal in accordance with the terms of the obligations.
- **Convertible Securities.** A convertible security may be subject to redemption at the option of the issuer at a price established in the convertible security's governing instrument. If a convertible security held by Master Fund is called for redemption, the Master Fund will be required to permit the issuer to redeem the security, convert it into the underlying common stock or sell it to a third party. Any of these actions could have an adverse effect on their ability to achieve their investment objective.
- **Currencies.** A principal risk in trading currencies is the rapid fluctuation in the market prices of currency contracts. Prices of currency contracts traded by the Master Fund are affected generally by relative interest rates, which in turn are influenced by a wide variety of complex and difficult to predict factors such as money supply and demand, balance of payments, inflation levels, fiscal policy, and political and economic events. In addition, governments from time to time intervene, directly and by regulation, in these markets, with the specific effect, or intention, of influencing prices which 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.

- **American Depositary Receipts and Global Depositary Receipts.** American Depositary Receipts ("ADRs") are receipts issued by a U.S. bank or trust company evidencing ownership of underlying securities issued by non-U.S. issuers. ADRs may be listed on a national securities exchange or may be traded in the OTC market. Global Depositary Receipts ("GDRs") are receipts issued by either a U.S. or non-U.S. banking institution representing ownership in a non-U.S. company's publicly traded securities that are traded on non-U.S. stock exchanges or non-U.S. OTC markets. Holders of unsponsored ADRs or GDRs generally bear all the costs of such facilities. The depository of an unsponsored facility frequently is under no obligation to distribute investor communications received from the issuer of the deposited security or to pass through voting rights to the holders of depositary receipts in respect of the deposited securities. Investments in ADRs and GDRs pose, to the extent not hedged, currency exchange risks (including blockage, devaluation and non-exchangeability), as well as a range of other potential risks relating to the underlying shares, which could include expropriation, confiscatory taxation, imposition of withholding or other taxes on dividends, interest, capital gains, other income or gross sale of disposition proceeds, political or social instability or diplomatic developments that could affect investments in those countries, illiquidity, price volatility and market manipulation. In addition, less information may be available regarding the underlying shares of ADRs and GDRs, and non-U.S. companies may not be subject to accounting, auditing and financial reporting standards and requirements comparable to, or as uniform as, those of U.S. companies. Such risks may have a material adverse effect on the performance of such investments and could result in substantial losses.
- **Illiquid Securities.** Certain Securities may be illiquid because, for example, they are subject to legal or other restrictions on transfer or there is no liquid market for such Securities. Valuation of such Securities may be difficult or uncertain because there may be limited information available about the issuers of such Securities. The market prices, if any, for such Securities tend to be volatile and may not be readily ascertainable, and the Master Fund may not be able to sell them when it desires to do so or to realize what it perceives to be their fair value in the event of a sale. The sale of restricted and illiquid Securities often requires more time and results in higher brokerage charges or dealer discounts and other selling expenses than does the sale of Securities eligible for trading on national securities exchanges or in the OTC markets. The Master Fund may not be able to readily dispose of such illiquid investments and, in some cases, may be contractually prohibited from disposing of such investments for a specified period of time. As a result, the Master Fund may be required to hold such Securities despite adverse price movements. Even those markets which the Investment Adviser expects to be liquid can experience periods, possibly extended periods, of illiquidity. Occasions have arisen in the past where previously liquid investments have rapidly become illiquid.
- **Restricted Securities.** Restricted securities cannot be sold to the public without registration under the Securities Act. Unless registered for sale, restricted securities can be sold only in privately negotiated transactions or pursuant to an exemption from registration (*e.g.*, under Rule 144A of the Securities Act). Although these securities may be resold in privately negotiated transactions, because there is often little liquidity

for these securities, they may be difficult and take a substantial amount of time to sell, and the prices realized from these sales could be less than those originally paid by the Master Fund. Restricted securities may involve a high degree of business and financial risk which may result in substantial losses.

- **Loan Investments.** The Master Fund's success in the area of loan investing will depend, in part, on its ability to obtain loans on advantageous terms. In purchasing loans, the Master Fund will compete with a broad spectrum of investors and institutions. Increased competition for, or a diminution in the available supply of, qualifying loans could result in lower yields on such loans, which could reduce returns to investors.
- **Preferred Stock.** Investments in preferred stock involve risks related to priority in the event of bankruptcy, insolvency or liquidation of the issuing company and how dividends are declared. Preferred stock ranks junior to debt securities in an issuer's capital structure and, accordingly, is subordinate to all debt in bankruptcy. Preferred stock generally has a preference as to dividends. Such dividends are generally paid in cash (or additional shares of preferred stock) at a defined rate, but unlike interest payments on debt securities, preferred stock dividends are payable only if declared by the issuer's board of directors. Dividends on preferred stock may be cumulative, meaning that, in the event the issuer fails to make one or more dividend payments on the preferred stock, no dividends may be paid on the issuer's common stock until all unpaid preferred stock dividends have been paid. Preferred stock may also be subject to optional or mandatory redemption provisions.
- **Private Equity Investments.**

*Risk of Early Stage Companies.* Investments in the private equity of companies at an early stage of development involves a high degree of business and financial risk. Early-stage companies with little or no operating history may require substantial additional capital to support expansion or to achieve or maintain a competitive position, may produce substantial variations in operating results from period to period or may operate at a loss. Such companies may face intense competition, including competition from companies with greater financial resources, more extensive development, better marketing and service capabilities and a larger number of qualified management and technical personnel. Such risks may adversely affect the performance of such investments and result in substantial losses.

*Control Issues.* Although the Investment Adviser may seek protective provisions, including, possibly, board representation, in connection with certain of its private equity investments, to the extent the Master Fund takes minority positions in companies in which it invests, the Investment Adviser may not be in a position to exercise control over the management of such companies, and, accordingly, may have a limited ability to protect its position in such companies.

*Highly-Leveraged Companies.* Investments in private equity of highly-leveraged companies involve a high degree of risk. The use of leverage may increase the exposure of such companies to adverse economic factors such as downturns in the economy or deterioration in the conditions of such companies or their respective industries. In the event any such company cannot generate adequate cash flow to meet debt service, the

Master Fund may suffer a partial or total loss of capital invested in the company, which, depending on the size of the Master Fund's investments, could adversely affect the return on the capital of the Master Fund.

- **Repurchase and Reverse Repurchase Agreements.** In a reverse repurchase transaction, the Master Fund "buys" securities issued from a broker-dealer or financial institution, subject to the obligation of the broker-dealer or financial institution to repurchase such securities at the price paid by the Master Fund, plus interest at a negotiated rate. The use of repurchase and reverse repurchase agreements by the Master Fund involves certain risks. For example, if the seller of securities to the Master Fund under a reverse repurchase agreement defaults on its obligation to repurchase the underlying securities, as a result of its bankruptcy or otherwise, the Master Fund will seek to dispose of such securities, which action could involve costs or delays. If the seller becomes insolvent and subject to liquidation or reorganization under applicable bankruptcy or other laws, the Master Fund's ability to dispose of the underlying securities may be restricted. It is possible, in a bankruptcy or liquidation scenario, that the Master Fund may not be able to substantiate its interest in the underlying securities. Finally, if a seller defaults on its obligation to repurchase securities under a reverse repurchase agreement, the Master Fund may suffer a loss to the extent that it is forced to liquidate its position in the market, and proceeds from the sale of the underlying securities are less than the repurchase price agreed to by the defaulting seller. Similar elements of risk arise in the event of the bankruptcy or insolvency of the buyer.
- **Reliance on Technical Trading Systems.** The Investment Adviser may allocate the Master Fund's capital to investment strategies that are based on technical trading systems. Although the Investment Adviser retains all discretion with respect to the manner in which a trading system's output is interpreted and applied, there can be no assurance that the Investment Adviser's trading systems and its interpretation and application of the trading systems' output will take into account all relevant factors. Technical trading systems can also be ineffective when fundamental factors drive investments' prices.
- **Risk of Programming Implementation Error or Logical Error.** Given the reliance of the Investment Adviser, in part, upon the operation of its models and other software trading and analysis systems, it follows that the Master Fund is therefore at risk of errors of implementation (colloquially known as "bugs") and errors of design that may exist or arise in the software or models, and which may cause inappropriate or aberrant behavior under certain or all market conditions. While reasonable steps have been taken to ensure that the software is adequate in design and free from manifest bugs, formal proof of bug-free code has not been undertaken, nor can the underlying logical and/or mathematical models be certified as free from error; investors should expect that – at any given time – the Investment Adviser's code will contain errors and bugs.

As with any software, upgrades, "bug fixes" and various other improvements may be introduced over time and the risk therefore exists that such changes may detrimentally affect the performance of the Master Fund, rather than improve it.

Furthermore, without limitation, while the software has been tested, no guarantee can be given that a unique combination of input conditions experienced when running the

system "live" and which has not been encountered during development, will not cause the system to fail, perform aberrantly, or take positions that are (under some reasonable criteria) judged to be inappropriate.

These failures can also occur in a complex, interdependent environment where different elements of code are all functioning correctly if their interaction gives rise to unanticipated or unintended errors. Given the fact that the Investment Adviser will be utilizing proprietary and third-party code (some of which may be open-source and without any warranties), it is possible or likely that errors will arise from such interactions. For the sake of clarity and without limitation, though losses arising from programming implementation errors or logical errors could adversely affect the Master Fund's performance, such losses would likely not constitute reimbursable trade errors under the Investment Adviser's policies.

- **Risks Inherent in Computer-Driven and Intellectual Property Based Systems.** The Investment Adviser relies to a material extent on a wide range of intellectual property systems, including computer hardware and software systems and telecommunications systems, in substantially all phases of its operations, including research, valuation, trade identification and construction, trade execution, clearing, risk management, back office functions and reporting.

As described above, intellectual property systems are subject to a number of inherent and unpredictable risks. For example, there may be material undiscovered errors in software programs; software and/or hardware may malfunction and/or degrade; electronic and telecommunications delivery may fail; security breaches may lead to unauthorized trades or stolen intellectual property; services provided by third-party vendors to support the intellectual property systems may be interrupted; and computer-driven trading errors may occur. For the sake of clarity and without limitation, though losses arising from computer-driven and intellectual property based systems could adversely affect the Master Fund's performance, such losses would likely not constitute reimbursable trade errors under the Investment Adviser's policies.

- **Web Scraping.** The Investment Adviser's investment strategies may involve the use of automated data collection to analyze prospective investments. Automated data collection refers to the use of a "robot" to collect data from web sites, including targeted data collection often set to regularly collect specific information from individual websites. Automated data collection may inadvertently (i) violate a website's end user license agreement ("EULA") terms, including but not limited to robot exclusion protocols – a direction that a website employs to direct the robot about which areas of the website may not be scanned or scraped; (ii) circumvent technical measures that a website operator has in place to stop automated data collection; (iii) give rise to claims under the Computer Fraud and Abuse Act if the collection evades technological measures used by the website operator to disable or redirect robots; (iv) overwhelm the information technology systems of the website operator by taking up the website operating's bandwidth; (v) come into possession of material non-public information ("MNPI") or information that, when aggregated, could be considered MNPI; (vi) give rise to copyright infringement claims (where the information that is taken by the data collector is protected by copyright); and (vii) give rise to trespass claims (where the data collection interferes with the website operator's systems or platform). The Investment

Adviser makes good faith efforts to mitigate these risks. To the extent that the Investment Adviser has arrangements with third-party vendors who engage in automated data collection, the Investment Adviser conducts due diligence of such third-party vendors, but the Investment Adviser does not have the ability to supervise such third-party vendors on a day-to-day basis.

- **Cybersecurity Risk.** As part of its business, the Investment Adviser processes, stores and transmits large amounts of electronic information, including information relating to the transactions of the Funds and personally identifiable information of the investors in the Funds. Similarly, service providers of the Investment Adviser, or the Funds, especially the Funds' administrator, may process, store and transmit such information. The Investment Adviser has procedures and systems in place to protect such information and prevent data loss and security breaches. However, such measures cannot provide absolute security. The techniques used to obtain unauthorized access to data, disable or degrade service, or sabotage systems change frequently and may be difficult to detect for long periods of time. Hardware or software acquired from third parties may contain defects in design or manufacture or other problems that could unexpectedly compromise information security. Network connected services provided by third parties to the Investment Adviser may be susceptible to compromise, leading to a breach of the Investment Adviser's network. The Investment Adviser's systems or facilities may be susceptible to employee error or malfeasance, government surveillance, or other security threats. On-line services provided by the Investment Adviser to the Funds' investors may also be susceptible to compromise. Breach of the Investment Adviser's information systems may cause information relating to the transactions of the Funds and personally identifiable information of the investors in the Funds to be lost or improperly accessed, used or disclosed.

The service providers of the Investment Adviser and the Funds are subject to the same electronic information security threats as the Investment Adviser. If a service provider fails to adopt or adhere to adequate data security policies, or in the event of a breach of its networks, information relating to the transactions of the Funds and personally identifiable information of the investors in the Funds may be lost or improperly accessed, used or disclosed.

The loss or improper access, use or disclosure of the Investment Adviser's, or the Funds' proprietary information may cause the Investment Adviser, or the Funds to suffer, among other things, financial loss, the disruption of its business, liability to third parties, regulatory intervention or reputational damage. Any of the foregoing events could have a material adverse effect on the Funds and the investors' investments therein.

## **Item 9 – Disciplinary Information**

In the past ten years, there have been no legal or disciplinary events involving either the Firm or any of its management persons that are material to the Firm's advisory business.

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

- A. Neither the Firm nor any of its management persons is registered, or has an application pending to register, as a broker-dealer or a registered representative of a broker-dealer.
- B. The Firm serves as the CPO with respect to each of the Funds it manages. The Firm is registered with the CFTC as a CPO and currently operates each of the Funds in reliance on the CFTC regulatory relief available to a CFTC-registered CPO under CFTC Regulation 4.7. Such regulatory relief includes relief from certain disclosure, reporting, and recordkeeping requirements otherwise applicable to a CFTC-registered CPO. The Firm also serves as the commodity trading advisor (“CTA”) with respect to each of the Funds. The Firm is not, and is not required to be, registered with the CFTC as a CTA with respect to any of the Funds pursuant to one or more exemptions from such registration.
- C. As described above, the Firm serves as the Investment Adviser to affiliated pooled investment vehicles which are managed through a master-feeder structure.

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

- A. The Firm has adopted a Code of Ethics pursuant to Rule 204A-1 of the Advisers Act which is available to any Fund or investor upon request to the Firm’s Compliance Department. The Code of Ethics sets forth standards that Employees are required to uphold and contains policies and procedures that are particularly relevant to ethical conduct and the avoidance of conflicts of interest, such as insider trading, personal securities transactions, gifts and entertainment and political contributions. On a quarterly basis, Employees are required to certify that they have complied, and will continue to comply, with the provisions of the Code of Ethics.
- B. With regard to recommendations in securities in which the Firm has a material financial interest, the Firm generally does not buy securities from or sell securities to investment advisory clients. The Firm’s compliance policies prohibit principal transactions. With regard to recommendations in securities in which the Firm’s Employees have a material financial interest, as described in Item 11.D. below, from time to time, the Firm’s Employees may trade in securities that are recommended to clients. Such transactions are governed by the Firm’s Code of Ethics.
- C. The Firm does not engage in proprietary trading, and manages its trading of affiliated investment vehicles through use of a “master-feeder” structure.
- D. The Code of Ethics generally prohibits “opening” personal securities transactions that would result in the acquisition of equity securities of a single issuer. The Code of Ethics permits limited personal securities transactions to dispose of pre-existing positions, transactions in managed accounts over which the Employee has no direct or indirect influence or control, and in certain other circumstances which are described in the Code of Ethics. The Code of Ethics also contains certain trading preclearance and reporting requirements.

## **Item 12– Brokerage Practices**

- A. The Firm has complete discretion in deciding which brokers-dealers the Master Fund will use, and in negotiating the rates of compensation the Master Fund will pay. The Master Fund’s securities transactions can be expected to generate a substantial amount of brokerage commissions and other compensation, all of which the Funds, not the Firm, will be obligated to pay. In consideration of the Firm’s duties to the Funds, the Firm has implemented policies and procedures designed to ensure the appropriateness of broker-dealer selection and the reasonableness of broker-dealer compensation. Each broker-dealer that the Firm selects must be approved by the Compliance Department and the Firm’s Trade Oversight Committee and be placed upon the list of approved broker-dealers that the Compliance Department maintains. In addition, the rate, amount and allocation of broker-dealer compensation is reviewed by the Firm’s Trade Oversight Committee on a quarterly basis.

The Firm selects broker-dealers on the basis of best execution, meaning that the Firm believes the selected broker-dealers will assist the Firm in its efforts to maximize the value of the securities portfolio. What constitutes “best execution” and determining how to obtain it are inherently uncertain. The Firm is not required to consider any particular criteria, and generally considers a variety of factors, which may include quality of execution, reputation, financial strength and stability, block trading and block positioning capabilities, willingness and ability to execute difficult transactions, willingness and ability to provide liquidity and/or commit capital, access to underwritten offerings and secondary markets, ongoing reliability, overall costs of a trade including commissions, mark-ups, mark-downs or spreads and other current transaction costs, nature of the security and the available market makers, desired timing of the transaction, size of the trade, confidentiality of trading activity, market intelligence, idea generation, availability of stocks to borrow for short sales, sourcing of and provision of research or brokerage services, and other similar services.

1. In prior years, The Master Fund paid for research and execution services through “Commission Sharing Arrangements,” but no longer does so. The former CSA account was closed in 2018.
2. The Firm does not consider Investor referrals from third parties when selecting or recommending broker-dealers to execute securities transactions.
3. The Firm does not at this time engage in directed brokerage arrangements.

The Firm’s prime brokers from time to time provide assistance in areas such as management consulting and selection of third-party service providers. This presents a potential conflict of interest in that it could incentivize the Firm to select prime brokers who offer consulting services over those who do not. However, the Firm does not believe that these services are a material consideration in its selection process and further always remains mindful of its fiduciary duties to the Funds.

## **Item 13 – Review of Accounts**

- A. The Firm’s process for reviewing actual and potential portfolio investments includes reviewing investment ideas, reviewing current investments and implementing investment decisions in connection with weekly Investment Committee meetings with the members of the Firm’s

Investment Personnel. At these meetings, the Firm's Investment Personnel provide their assessment of existing and potential investments within their respective sectors and portfolios. Investment Personnel generally memorialize the investment thesis for the Firm's investment decisions, which facilitates the Investment Committee's review of the portfolio. In addition, the Firm utilizes an order management system to screen for certain investment restrictions.

- B. The Investment Committee reviews the Master Fund's holdings on a periodic basis. Additionally, the Investment Committee, with the assistance of other members of the Firm's Senior Investment Personnel and the Firm's Risk Committee, regularly supervises all trading activity and monitors for associated risk with the assistance of reports created by the Director of Risk. The CEO retains ultimate authority for all investment decisions. Risk assessment messages are circulated when any securities position needs increased observation or attention.
- C. Investors are provided with written information regarding their accounts in the form of monthly statements reflecting the net asset value of their investment and annual audited financial statements for the Funds, which are distributed by the Firm's Administrator. These reports are distributed electronically to investors.

#### **Item 14 – Client Referrals and Other Compensation**

- A. No one other than the Firm's Funds provides an economic benefit to the Firm for providing investment advice or other advisory services.
- B. The Firm does not compensate any person for referrals.

#### **Item 15 – Custody**

The Firm has custody of funds or securities of the Funds in the sense of having the authority to access such funds and securities. The Firm uses qualified custodians to hold its securities, funds and other assets. Those custodians send reports to the Master Fund on a monthly basis, and on a daily basis, make electronic reports available that are used to internally reconcile with the Funds' Administrator. The Master Fund's qualified custodians do not send reports directly to investors in the Funds; however, the Administrator sends monthly net asset value statements to investors. Additionally, the Funds are subject to an annual audit by independent accountants. Investors should carefully review the monthly net asset value statements and annual audited financial statements they receive.

#### **Item 16 – Investment Discretion**

The Firm accepts discretionary authority to manage securities on behalf of its Funds through the investment management agreements with such Funds. This discretionary authority has no limitations.

#### **Item 17 – Voting Client Securities**

- A. It is the Firm's policy to vote all proxies received by the Firm in accordance with the company's management recommendations, unless otherwise instructed by the Firm's Investment Personnel. The Firm's Compliance Department is responsible for overseeing and

monitoring all proxy votes to ensure that such votes adhere to the Firm's proxy voting policy and procedures.

The Firm's general policy is to vote proxy proposals, amendments, consents or resolutions relating to Fund securities, including interests in private investment funds, if any (collectively, "proxies"), in a manner that serves the best interests of the Funds that the Firm manages, as the Firm determines in its discretion, taking into account relevant factors, including, but not limited to, the impact on the value of the securities; the anticipated costs and benefits associated with the proposal; the effect on liquidity; and customary industry and business practices. The Firm retains discretion to abstain from voting any proxy if it determines that the cost of voting a proxy exceeds the expected benefit to its clients.

For routine matters, the Firm will vote in accordance with the recommendation of the company's management, directors, general partners, managing members or trustees (collectively, the "Management"), as applicable, unless, in the Firm's opinion, such recommendation is not in the best interests of the Funds. For non-routine matters, the Firm will generally vote in accordance with the recommendation of the company's Management; however, such proxies related to non-routine matters may be voted otherwise on a case-by-case basis when in the best interests of the Funds, as determined by the investment staff whose responsibilities include coverage of the sector for which the proxies are being voted.

At times, conflicts may arise between the interests of the Funds and the interests of the Firm or its affiliates. In the event the Firm determines that it has or may be perceived to have a conflict of interest with respect to voting a proxy (such as an Employee's status as an officer, director or controlling shareholder with respect to a personal investment; or an investor's status as an officer, director or controlling shareholder with respect to a Fund position), the Firm will address matters involving such conflicts of interest as follows:

- If a proxy proposal is addressed by the Firm's policies, such as in routine matters to vote with Management, the Firm will vote in accordance with such policies;
- If the proxy proposal is not addressed by the Firm's policies, or requires a case-by-case determination, and the Firm determines that the expected benefit from voting exceeds the cost to the Fund, the Firm will at that time seek and vote in accordance with the recommendation of an independent proxy advisory service. The Firm will memorialize the rationale for of the decisions concerning such vote in writing.

Investors may obtain information from the Firm on how it voted with respect to their Fund's securities by contacting the Firm's Compliance Department.

The Firm retains a litigation recovery service, Battea Class Action Services ("Battea") to recover proceeds from class action lawsuits on behalf of the Funds. A portion of the class action proceeds recovered on behalf of the Funds is remitted to Battea.

### **Item 18 – Financial Information**

- A. The Firm does not require or solicit prepayment six months or more in advance of more than \$1,200 in fees per Fund, and therefore has not included a balance sheet.
- B. The Firm is not aware of any conditions that are reasonably likely to impair the Firm's ability to meet contractual commitments to the Funds.
- C. The Firm has never been the subject of a bankruptcy petition.

**Part 2B of Form ADV: Brochure Supplement**

Item 1 – Cover Page

**J. Goldman & Co., L.P.**

Jay G. Goldman

510 Madison Avenue, 26<sup>th</sup> Floor  
New York, N.Y. 10022  
212-262-4990

March 1, 2019

This Brochure Supplement provides information about Jay G. Goldman that supplements the Brochure of J. Goldman & Co., L.P. (the “Adviser”). You should have received a copy of that Brochure. Please contact Sagan Weiss, Chief Compliance Officer at 212-262-4371 if you did not receive the Adviser’s Brochure or if you have any questions about the contents of this Brochure Supplement.

## Item 2 – Educational Background and Business Experience

**Jay G. Goldman**, born 1957, is the Founder and Chief Executive Officer of the Adviser and a member of the Executive Committee and the Investment Committee. Mr. Goldman founded J. Goldman & Co., L.P. in 1986. Mr. Goldman received a B.S. in Economics from The Wharton School of the University of Pennsylvania in 1979.

## Item 3 – Disciplinary Information

Mr. Goldman has not been involved in any legal or disciplinary events related to this Item or otherwise is required to disclose any event required by this item.

## Item 4 – Other Business Activities

Mr. Goldman is not actively engaged in any other investment-related business or occupation. Additionally, Mr. Goldman does not receive any compensation, including bonuses and non-cash compensation, based on the sales of securities or other investments products. Mr. Goldman does not actively engage in any other business or occupation for compensation, which might provide a substantial source of his income or involve a substantial amount of his time.

## Item 5 – Additional Compensation

Mr. Goldman does not provide advisory services to non-clients from which he derives an economic benefit.

## Item 6 – Supervision

As the Chief Executive Officer of the Adviser, Mr. Goldman is responsible for the supervision of the Adviser's investment professionals and the monitoring of client investments on an ongoing basis. Mr. Goldman can be reached at (212) 262-4990.

**Part 2B of Form ADV: Brochure Supplement**

Item 1 – Cover Page

**J. Goldman & Co., L.P.**

Joseph Magaro

510 Madison Avenue, 26<sup>th</sup> Floor  
New York, N.Y. 10022  
212-262-4990

March 1, 2019

This Brochure Supplement provides information about Joseph Magaro that supplements the Brochure of J. Goldman & Co., L.P. (the “Adviser”). You should have received a copy of that Brochure. Please contact Sagan Weiss, Chief Compliance Officer at 212-262-4371 if you did not receive the Adviser’s Brochure or if you have any questions about the contents of this Brochure Supplement.

## Item 2 – Educational Background and Business Experience

**Joseph Magaro**, born 1979, is a Portfolio Manager, President of the Adviser and a member of the Executive Committee and the Investment Committee. Mr. Magaro has been an Analyst/Portfolio Manager at J. Goldman & Co., L.P. since 2001 and has been a Partner of the Adviser since 2010. In January 2015, Mr. Magaro was named President of the Firm. Mr. Magaro received a B.S. in Economics from The Wharton School of the University of Pennsylvania in 2000.

## Item 3 – Disciplinary Information

Mr. Magaro has not been involved in any legal or disciplinary events related to this Item or otherwise is required to disclose any event required by this item.

## Item 4 – Other Business Activities

Mr. Magaro is not actively engaged in any other investment-related business or occupation. Additionally, Mr. Magaro does not receive any compensation, including bonuses and non-cash compensation, based on the sales of securities or other investments products. Mr. Magaro does not actively engage in any other business or occupation for compensation, which might provide a substantial source of his income or involve a substantial amount of his time.

## Item 5 – Additional Compensation

Mr. Magaro does not provide advisory services to non-clients from which he derives an economic benefit.

## Item 6 – Supervision

Mr. Magaro participates in the Adviser's investment advisory activities as described under Item 2 above. Mr. Magaro is part of the Adviser's team of investment professionals that meet and monitor client investments on an ongoing basis. As a Portfolio Manager/Partner, Mr. Magaro participates in providing investment advice to the Adviser's clients and implementing investment decisions accordingly.

Mr. Jay G. Goldman, Chief Executive Officer of the Adviser, has supervisory responsibility over investment decisions made by Mr. Magaro. Mr. Goldman can be reached at 212-262-4990.

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Item 1 – Cover Page

**J. Goldman & Co., L.P.**

Alan Aaron

510 Madison Avenue, 26<sup>th</sup> Floor  
New York, N.Y. 10022  
212-262-4990

March 1, 2019

This Brochure Supplement provides information about Alan Aaron that supplements the Brochure of J. Goldman & Co., L.P. (the “Adviser”). You should have received a copy of that Brochure. Please contact Sagan Weiss, Chief Compliance Officer at 212-262-4371 if you did not receive the Adviser’s Brochure or if you have any questions about the contents of this Brochure Supplement.

## Item 2 – Educational Background and Business Experience

**Alan Aaron**, born 1970, is a Portfolio Manager/Partner of the Adviser. Mr. Aaron has been a Portfolio Manager at J. Goldman & Co., L.P. since 2000 and has been a Partner of the Firm since 2006. Prior to joining the Firm, Mr. Aaron was an Analyst at Mitchell Hutchins & Co., from 1996-1999 and was an Analyst at Standard & Poor's from 1994-1996. Mr. Aaron received a B.S.B.A in Finance with a minor in Art History from Washington University in 1992 and has held the Certified Financial Analyst (CFA)<sup>1</sup> designation since 1996.

## Item 3 – Disciplinary Information

Mr. Aaron has not been involved in any legal or disciplinary events related to this Item or otherwise is required to disclose any event required by this item.

## Item 4 – Other Business Activities

Mr. Aaron is not actively engaged in any other investment-related business or occupation. Additionally, Mr. Aaron does not receive any compensation, including bonuses and non-cash compensation, based on the sales of securities or other investments products. Mr. Aaron does not actively engage in any other business or occupation for compensation, which might provide a substantial source of his income or involve a substantial amount of his time.

## Item 5 – Additional Compensation

Mr. Aaron does not provide advisory services to non-clients from which he derives an economic benefit.

## Item 6 – Supervision

Mr. Aaron participates in the Adviser's investment advisory activities as described under Item 2 above. Mr. Aaron is part of the Adviser's team of investment professionals that meet and monitor client investments on an ongoing basis. As a Portfolio Manager/Partner, Mr. Aaron participates in providing investment advice to the Adviser's clients and implementing investment decisions accordingly.

Mr. Jay G. Goldman, Chief Executive Officer of the Adviser, has supervisory responsibility over investment decisions made by Mr. Aaron. Mr. Goldman can be reached at 212-262-4990.

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<sup>1</sup> **CFA Charter Minimum Qualifications:** The Charter Financial Analyst (CFA) designation is an international professional certification issued by the CFA Institute (formerly AIMR) to qualified candidates who complete a series of three examinations. To become a candidate for a CFA charter, candidates must meet one of the following requirements: 1) Undergraduate degree and four years of professional experience involving investment decision-making, or; 2) Four years qualified work experience (full time, but not necessarily investment related). Candidates may become a CFA Charter holder if they successfully pass three course exams, Levels 1, 2, and 3. The CFA Institute has stated that the average candidate may need approximately 250 hours of study for each of the three levels. The CFA curriculum includes these topic areas: Ethical and Professional Standards; Quantitative Methods (such as the time value of money, and statistical inference); Economics; Financial Reporting and Analysis; Corporate Finance; Analysis of Investments (stocks, bonds, derivatives, venture capital, real estate, etc.); Portfolio Management and Analysis (asset allocation, portfolio risk, performance measurement, etc.). CFA Charter holders are also obligated to adhere to a strict Code of Ethics and Standards governing their professional conduct. More information on the CFA charter is available at [www.cfainstitute.org](http://www.cfainstitute.org).

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**J. Goldman & Co., L.P.**

David Mack

510 Madison Avenue, 26<sup>th</sup> Floor  
New York, N.Y. 10022  
212-262-4990

March 1, 2019

This Brochure Supplement provides information about David Mack that supplements the Brochure of J. Goldman & Co., L.P. (the “Adviser”). You should have received a copy of that Brochure. Please contact Sagan Weiss, Chief Compliance Officer at 212-262-4371 if you did not receive the Adviser’s Brochure or if you have any questions about the contents of this Brochure Supplement.

## Item 2 – Educational Background and Business Experience

**David Mack**, born in 1976, is a Portfolio Manager/Partner of the Adviser. Mr. Mack has been a Portfolio Manager at J. Goldman & Co., L.P. since 2009 and has been a Partner of the Adviser since 2014. Prior to joining the Adviser, Mr. Mack was a Managing Director/Portfolio Manager at Decade Capital Management, LLC from 2008-2009 and was an Analyst/Portfolio Manager at J. Goldman & Co., L.P. and J. Goldman Advisors London from 2004-2008. Mr. Mack received a B.A. in Economics with a concentration in History from Columbia University in 1998.

## Item 3 – Disciplinary Information

Mr. Mack has not been involved in any legal or disciplinary events related to this Item or otherwise is required to disclose any event required by this item.

## Item 4 – Other Business Activities

Mr. Mack is not actively engaged in any other investment-related business or occupation. Additionally, Mr. Mack does not receive any compensation, including bonuses and non-cash compensation, based on the sales of securities or other investments products. Mr. Mack does not actively engage in any other business or occupation for compensation, which might provide a substantial source of his income or involve a substantial amount of his time.

## Item 5 – Additional Compensation

Mr. Mack does not provide advisory services to non-clients from which he derives an economic benefit.

## Item 6 – Supervision

Mr. Mack participates in the Adviser's investment advisory activities as described under Item 2 above. Mr. Mack is part of the Adviser's team of investment professionals that meet and monitor client investments on an ongoing basis. As an Analyst/Portfolio Manager, Mr. Mack participates in providing investment advice to the Adviser's clients and implementing investment decisions accordingly.

Mr. Jay G. Goldman, Chief Executive Officer of the Adviser, has supervisory responsibility over investment decisions made by Mr. Mack. Mr. Goldman can be reached at 212-262-4990.

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Item 1 – Cover Page

**J. Goldman & Co., L.P.**

Vik Mehta

510 Madison Avenue, 26<sup>th</sup> Floor  
New York, N.Y. 10022  
212-262-4990

March 1, 2019

This Brochure Supplement provides information about Vik Mehta that supplements the Brochure of J. Goldman & Co., L.P. (the “Adviser”). You should have received a copy of that Brochure. Please contact Sagan Weiss, Chief Compliance Officer at 212-262-4371 if you did not receive the Adviser’s Brochure or if you have any questions about the contents of this Brochure Supplement.

## Item 2 – Educational Background and Business Experience

**Vik Mehta**, born 1971, is a Portfolio Manager/Partner of the Adviser and a member of the Executive Committee and the Investment Committee. Mr. Mehta has been a Portfolio Manager at J. Goldman & Co., L.P. since 2002 and a Partner of the Adviser since 2006. Prior to joining J. Goldman & Co., L.P., Mr. Mehta was an Analyst at Digital Century Capital from 2001-2002, a Vice President at Goldman Sachs & Company from 1996-2001 and a Technical Analyst at Accenture from 1994-1996. Mr. Mehta received a B.A. in Mechanical Engineering from MIT in 1994.

## Item 3 – Disciplinary Information

Mr. Mehta has not been involved in any legal or disciplinary events related to this Item or otherwise is required to disclose any event required by this item.

## Item 4 – Other Business Activities

Mr. Mehta is not actively engaged in any other investment-related business or occupation. Additionally, Mr. Mehta does not receive any compensation, including bonuses and non-cash compensation, based on the sales of securities or other investments products. Mr. Mehta does not actively engage in any other business or occupation for compensation, which might provide a substantial source of his income or involve a substantial amount of his time.

## Item 5 – Additional Compensation

Mr. Mehta does not provide advisory services to non-clients from which he derives an economic benefit.

## Item 6 – Supervision

Mr. Mehta participates in the Adviser's investment advisory activities as described under Item 2 above. Mr. Mehta is part of the Adviser's team of investment professionals that meet and monitor client investments on an ongoing basis. As a Portfolio Manager/Partner, Mr. Mehta participates in providing investment advice to the Adviser's clients and implementing investment decisions accordingly.

Mr. Jay G. Goldman, Chief Executive Officer of the Adviser, has supervisory responsibility over investment decisions made by Mr. Mehta. Mr. Goldman can be reached at 212-262-4990.

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**J. Goldman & Co., L.P.**

Rodney Nathan

510 Madison Avenue, 26<sup>th</sup> Floor  
New York, N.Y. 10022  
212-262-4990

March 1, 2019

This Brochure Supplement provides information about Rodney Nathan that supplements the Brochure of J. Goldman & Co., L.P. (the “Adviser”). You should have received a copy of that Brochure. Please contact Sagan Weiss, Chief Compliance Officer at 212-262-4371 if you did not receive the Adviser’s Brochure or if you have any questions about the contents of this Brochure Supplement.

## Item 2 – Educational Background and Business Experience

**Dr. Rodney Nathan**, born 1969 is a Portfolio Manager/Partner of the Adviser. Dr. Nathan has been a Portfolio Manager at J. Goldman & Co., L.P. since 2003 and a Partner of the Firm since 2006. Prior to joining J. Goldman & Co., L.P., Dr. Nathan was a Research Associate at Bear Stearns Securities Corp. from 2000-2002 and a Research Associate at Gruntal & Co. Inc. from 1999-2000. Dr. Nathan received a B.A. in Biology from Washington University in 1992 and a M.D. from University of Texas Southwestern Medical School in 1996.

## Item 3 – Disciplinary Information

Dr. Nathan has not been involved in any legal or disciplinary events related to this Item or otherwise is required to disclose any event required by this item.

## Item 4 – Other Business Activities

Dr. Nathan is not actively engaged in any other investment-related business or occupation. Additionally, Dr. Nathan does not receive any compensation, including bonuses and non-cash compensation, based on the sales of securities or other investments products. Dr. Nathan does not actively engage in any other business or occupation for compensation, which might provide a substantial source of his income or involve a substantial amount of his time.

## Item 5 – Additional Compensation

Dr. Nathan does not provide advisory services to non-clients from which he derives an economic benefit.

## Item 6 – Supervision

Dr. Nathan participates in the Adviser's investment advisory activities as described under Item 2 above. Dr. Nathan is part of the Firm's team of investment professionals that meet and monitor client investments on an ongoing basis. As a Portfolio Manager/Partner, Dr. Nathan participates in providing investment advice to the Adviser's clients and implementing investment decisions accordingly.

Mr. Jay G. Goldman, Chief Executive Officer of the Adviser, has supervisory responsibility over investment decisions made by Dr. Nathan. Mr. Goldman can be reached at 212-262-4990.

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Item 1 – Cover Page

**J. Goldman & Co., L.P.**

Jeremy Perelman

510 Madison Avenue, 26<sup>th</sup> Floor  
New York, N.Y. 10022  
212-262-4990

March 1, 2019

This Brochure Supplement provides information about Jeremy Perelman that supplements the Brochure of J. Goldman & Co., L.P. (the “Adviser”). You should have received a copy of that Brochure. Please contact Sagan Weiss, Chief Compliance Officer at 212-262-4371 if you did not receive the Adviser’s Brochure or if you have any questions about the contents of this Brochure Supplement.

## Item 2 – Educational Background and Business Experience

**Jeremy Perelman**, born 1978, is a Portfolio Manager/Partner of the Adviser. Mr. Perelman joined J. Goldman & Co., L.P. as an Analyst in 2001. Mr. Perelman received a B.A. from Tulane University in 2000.

## Item 3 – Disciplinary Information

Mr. Perelman has not been involved in any legal or disciplinary events related to this Item or otherwise is required to disclose any event required by this item.

## Item 4 – Other Business Activities

Mr. Perelman is not actively engaged in any other investment-related business or occupation. Additionally, Mr. Perelman does not receive any compensation, including bonuses and non-cash compensation, based on the sales of securities or other investments products. Mr. Perelman does not actively engage in any other business or occupation for compensation, which might provide a substantial source of his income or involve a substantial amount of his time.

## Item 5 – Additional Compensation

Mr. Perelman does not provide advisory services to non-clients from which he derives an economic benefit.

## Item 6 – Supervision

Mr. Perelman participates in the Adviser's investment advisory activities as described under Item 2 above. Mr. Perelman is part of the Adviser's team of investment professionals that meet and monitor client investments on an ongoing basis. As an Analyst/Portfolio Manager, Mr. Perelman participates in providing investment advice to the Adviser's clients and implementing investment decisions accordingly.

Mr. Jay G. Goldman, Chief Executive Officer of the Adviser, has supervisory responsibility over investment decisions made by Mr. Perelman. Mr. Goldman can be reached at 212-262-4990.

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Item 1 – Cover Page

**J. Goldman & Co., L.P.**

Jason Schwartz

510 Madison Avenue, 26<sup>th</sup> Floor  
New York, N.Y. 10022  
212-262-4990

March 1, 2019

This Brochure Supplement provides information about Jason Schwartz that supplements the Brochure of J. Goldman & Co., L.P. (the “Adviser”). You should have received a copy of that Brochure. Please contact Sagan Weiss, Chief Compliance Officer at 212-262-4371 if you did not receive the Adviser’s Brochure or if you have any questions about the contents of this Brochure Supplement.

## Item 2 – Educational Background and Business Experience

**Jason Schwartz**, born in 1978, is a Partner/Trader of the Adviser. Mr. Schwartz has been a Trader at J. Goldman & Co., L.P. since 2001 and a Partner since 2017. Mr. Schwartz received a B.S. in Finance from Syracuse University in 2000.

## Item 3 – Disciplinary Information

Mr. Schwartz has not been involved in any legal or disciplinary events related to this Item or otherwise is required to disclose any event required by this item.

## Item 4 – Other Business Activities

Mr. Schwartz is not actively engaged in any other investment-related business or occupation. Additionally, Mr. Schwartz does not receive any compensation, including bonuses and non-cash compensation, based on the sales of securities or other investments products. Mr. Schwartz does not actively engage in any other business or occupation for compensation, which might provide a substantial source of his income or involve a substantial amount of his time.

## Item 5 – Additional Compensation

Mr. Schwartz does not provide advisory services to non-clients from which he derives an economic benefit.

## Item 6 – Supervision

Mr. Schwartz participates in the Adviser's investment advisory activities as described under Item 2 above. Mr. Schwartz is part of the Adviser's team of investment professionals that meet and monitor client investments on an ongoing basis. As a Partner/Trader, Mr. Schwartz participates in providing investment advice to the Adviser's clients and implementing investment decisions accordingly.

Mr. Jay G. Goldman, Chief Executive Officer of the Adviser, has supervisory responsibility over investment decisions made by Mr. Schwartz. Mr. Goldman can be reached at 212-262-4990.

**Part 2B of Form ADV: Brochure Supplement**

Item 1 – Cover Page

**J. Goldman & Co., L.P.**

Eric Wasserman

510 Madison Avenue, 26th Floor  
New York, N.Y. 10022  
212-262-4990

March 1, 2019

This Brochure Supplement provides information about Eric Wasserman that supplements the Brochure of J. Goldman & Co., L.P. (the “Adviser”). You should have received a copy of that Brochure. Please contact Sagan Weiss, Chief Compliance Officer at 212-262-4371 if you did not receive the Adviser’s Brochure or if you have any questions about the contents of this Brochure Supplement.

## Item 2 – Educational Background and Business Experience

**Eric Wasserman**, born 1973, is a Partner/Portfolio Manager of the Adviser and a member of the Executive Committee and the Investment Committee. Mr. Wasserman has been a Portfolio Manager at J. Goldman & Co., L.P. since 1999 and has been a Partner of the Adviser since 2006. Prior to joining J. Goldman & Co., L.P., Mr. Wasserman was an Analyst at J.P. Morgan & Co. from 1996-1999. Mr. Wasserman received a B.A. in Finance from Lehigh University in 1996.

## Item 3 – Disciplinary Information

Mr. Wasserman has not been involved in any legal or disciplinary events related to this Item or otherwise is required to disclose any event required by this item.

## Item 4 – Other Business Activities

Mr. Wasserman is not actively engaged in any other investment-related business or occupation. Additionally, Mr. Wasserman does not receive any compensation, including bonuses and non-cash compensation, based on the sales of securities or other investments products. Mr. Wasserman does not actively engage in any other business or occupation for compensation, which might provide a substantial source of his income or involve a substantial amount of his time.

## Item 5 – Additional Compensation

Mr. Wasserman does not provide advisory services to non-clients from which he derives an economic benefit.

## Item 6 – Supervision

Mr. Wasserman participates in the Adviser's investment advisory activities as described under Item 2 above. Mr. Wasserman is part of the Adviser's team of investment professionals that meet and monitor client investments on an ongoing basis. As a Portfolio Manager/Partner, Mr. Wasserman participates in providing investment advice to the Adviser's clients and implementing investment decisions accordingly.

Mr. Jay G. Goldman, Chief Executive Officer of the Adviser, has supervisory responsibility over investment decisions made by Mr. Wasserman. Mr. Goldman can be reached at 212-262-4990.

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Item 1 – Cover Page

**J. Goldman & Co., L.P.**

Marc Yukelson

510 Madison Avenue, 26<sup>th</sup> Floor  
New York, N.Y. 10022  
212-262-4990

March 1, 2019

This Brochure Supplement provides information about Marc Yukelson that supplements the Brochure of J. Goldman & Co., L.P. (the “Adviser”). You should have received a copy of that Brochure. Please contact Sagan Weiss, Chief Compliance Officer at 212-262-4371 if you did not receive the Adviser’s Brochure or if you have any questions about the contents of this Brochure Supplement.

## Item 2 – Educational Background and Business Experience

**Marc Yukelson**, born in 1979, is a Partner/Portfolio Manager of the Adviser. Mr. Yukelson has been a Portfolio Manager at J. Goldman & Co., L.P. since 2006 and a Partner since 2017. Mr. Yukelson received a B.S. in Economics from The University of Pennsylvania in 2002.

## Item 3 – Disciplinary Information

Mr. Yukelson has not been involved in any legal or disciplinary events related to this Item or otherwise is required to disclose any event required by this item.

## Item 4 – Other Business Activities

Mr. Yukelson is not actively engaged in any other investment-related business or occupation. Additionally, Mr. Yukelson does not receive any compensation, including bonuses and non-cash compensation, based on the sales of securities or other investments products. Mr. Yukelson does not actively engage in any other business or occupation for compensation, which might provide a substantial source of his income or involve a substantial amount of his time.

## Item 5 – Additional Compensation

Mr. Yukelson does not provide advisory services to non-clients from which he derives an economic benefit.

## Item 6 – Supervision

Mr. Yukelson participates in the Adviser's investment advisory activities as described under Item 2 above. Mr. Yukelson is part of the Adviser's team of investment professionals that meet and monitor client investments on an ongoing basis. As a Partner/Portfolio Manager, Mr. Yukelson participates in providing investment advice to the Adviser's clients and implementing investment decisions accordingly.

Mr. Jay G. Goldman, Chief Executive Officer of the Adviser, has supervisory responsibility over investment decisions made by Mr. Yukelson. Mr. Goldman can be reached at 212-262-4990.

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Item 1 – Cover Page

**J. Goldman & Co., L.P.**

Adam Zucker

510 Madison Avenue, 26<sup>th</sup> Floor  
New York, N.Y. 10022  
212-262-4990

March 1, 2019

This Brochure Supplement provides information about Adam Zucker that supplements the Brochure of J. Goldman & Co., L.P. (the “Adviser”). You should have received a copy of that Brochure. Please contact Sagan Weiss, Chief Compliance Officer at 212-262-4371 if you did not receive the Adviser’s Brochure or if you have any questions about the contents of this Brochure Supplement.

## Item 2 – Educational Background and Business Experience

**Adam Zucker**, born in 1976, is a Partner/Portfolio Manager of the Adviser. Mr. Zucker has been an Analyst/Portfolio Manager at J. Goldman & Co., L.P. since 2001. Prior to joining the Firm, Mr. Zucker was an Equity Research Associate at Morgan Stanley from 2000-2001 and was an Investment Banking Analyst at Goldman Sachs from 1997-2000. Mr. Zucker received a B.S. in Economics from The Wharton School of the University of Pennsylvania in 1997.

## Item 3 – Disciplinary Information

Mr. Zucker has not been involved in any legal or disciplinary events related to this Item or otherwise is required to disclose any event required by this item.

## Item 4 – Other Business Activities

Mr. Zucker is not actively engaged in any other investment-related business or occupation. Additionally, Mr. Zucker does not receive any compensation, including bonuses and non-cash compensation, based on the sales of securities or other investments products. Mr. Zucker does not actively engage in any other business or occupation for compensation, which might provide a substantial source of his income or involve a substantial amount of his time.

## Item 5 – Additional Compensation

Mr. Zucker does not provide advisory services to non-clients from which he derives an economic benefit.

## Item 6 – Supervision

Mr. Zucker participates in the Adviser's investment advisory activities as described under Item 2 above. Mr. Zucker is part of the Adviser's team of investment professionals that meet and monitor client investments on an ongoing basis. As an Analyst/Portfolio Manager, Mr. Zucker participates in providing investment advice to the Adviser's clients and implementing investment decisions accordingly.

Mr. Jay G. Goldman, Chief Executive Officer of the Adviser, has supervisory responsibility over investment decisions made by Mr. Zucker. Mr. Goldman can be reached at 212-262-4990.