

Part 2A of Form ADV: *Firm Brochure*

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This brochure (“Brochure”) provides information about the qualifications and business practices of OIM Capital, LLC (“OIM”). If you have any questions about the contents of this Brochure, please contact us at (212) 676-5630 or compliance@oim.us.com. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission (“SEC”) or by any state securities authority.

OIM is an investment adviser registered with the SEC. Registration of an investment adviser does not imply a certain level of skill or training.

This Brochure does not constitute an offer to sell or a solicitation to buy interests in any Fund. An offer to sell or a solicitation to buy interests in any Fund can be made only by the relevant Fund’s offering materials.

Additional information about OIM also is available on the SEC’s website at www.adviserinfo.sec.gov. You can search this site by a unique identifying number, known as a CRD number. Our firm's CRD number is **157535.**

Item 2 Material Changes

This is OIM's Annual Amendment to Form ADV for the year ending December 31, 2018. Since the Other-Than-Annual Updating Amendment filed on June 29, 2018, there are no material changes to disclose.

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Item 4 **Advisory Business**

OIM Capital, LLC, a Delaware limited liability company (“**OIM**”), is an SEC-registered investment adviser with its principal place of business located in New York, New York. Founded in 2009, OIM primarily manages and advises certain private investment funds that focus on convertible bond strategies (special situations, convertible long, convertible credit and convertible arbitrage strategies) and equity strategies. Currently, OIM provides investment advisory services to the following privately offered pooled investment vehicles: Odyssey Special Situations Bond Fund, Ltd., Odyssey (Lux), Odyssey Special Situations Bond Master Fund, Ltd., Odyssey PanAmerica Equity Master Fund, L.P., and Odyssey PanAmerica Equity Fund, LP. (collectively referred to as the “**Funds**”). OIM also acts as liquidator for Alexandra Global LV, Ltd. (the “**Liquidating Vehicle**”). The Funds and the Liquidating Vehicle are private investment companies incorporated in the British Virgin Islands as business companies, with the exception of the Odyssey PanAmerica Equity Fund, LP incorporated in Delaware and the Odyssey (Lux) incorporated in Luxembourg as a Specialized Investment Fund (“**SIF**”) with sub-Funds. (See Item 8 for additional information on OIM’s investment objectives and strategies and Item 10 for additional information about the Funds.) Certain of the Funds are organized as “master-feeder” structures, whereby investors invest directly in the feeder fund, which, in turn, invests in the master fund. Affiliated investors may also invest directly in the Odyssey Special Situations Bond Master Fund, Ltd.

The firm’s principal owners are Mikhail A. Filimonov, Chief Investment Officer, Christian R. Picot, Chief Operating Officer and Chief Compliance Officer; and Vadim Iosilevich, Head of Trading.

Pursuant to investment advisory agreements, OIM has been appointed as investment adviser (“**Investment Adviser**”) to the Funds, with full discretionary authority with respect to investment decisions. OIM’s advice with respect to the Funds is tailored in accordance with the investment objectives and guidelines as set forth in each Fund’s respective offering memorandum and investment management agreement.

Shares in the Funds are offered to both U.S. and non-U.S. persons. Shares in the Funds are offered on a private placement basis to “U.S. Persons,” as defined under Regulation S under the Securities Act of 1933 (“**Securities Act**”) who are both “accredited investors” as defined in Regulation D under the Securities Act and “qualified purchasers” as defined under the Investment Company Act of 1940. Shares in the Funds are also offered to persons who are not “U.S. Persons” who, in some circumstances, meet certain sophistication requirements. Shares in certain of the Funds are no longer being offered to investors.

As of December 31, 2018, OIM managed approximately \$26 million in client assets on a discretionary basis. OIM calculated the amount of client assets it manages using the “regulatory assets under management” approach required by the SEC in Part 1A of OIM’s Form ADV.

Item 5 **Fees and Compensation**

The fees and expenses applicable to the Funds are set forth in each Fund’s respective offering materials. Certain of the following fees may also be applicable to the Liquidating Vehicle. A brief summary of the different types of fees paid to OIM is provided below.

Subscription Fee. For certain Funds, the Investment Adviser may receive a fee for each subscription of shares in that Fund, up to a maximum of 1.5% of the amount of such subscription (the “**Subscription Fee**”). This fee is deducted from the subscription amount.

Management Fees. The Funds and Alexandra Global LV, Ltd. pay OIM a management fee, payable monthly (the “Management Fee”), in an amount ranging from 1% to 2% annually in respect of the net asset value (“NAV”) attributable to a series of shares in a Fund, based on the average NAV of such series (prior to giving effect to the Performance Fees, as described below) for the applicable calendar month. The Management Fee is payable in arrears, excluding Odyssey PanAmerica Equity Master Fund, LP which pays OIM a management fee calculated and payable monthly in advance in the amount of 0.125% (or 1.50% annually) of the limited partners share of the NAV. Management Fees are directly debited from the Funds’ accounts. Certain investors may pay a higher or lower Management Fee or no Management Fee (see *Special Fee Arrangements*, below).

Performance Fees. The Bond Funds pay OIM a performance fee at the end of each fiscal quarter (the “**Performance Fee**”) of 20% of the profits allocated to each investor (after deduction for Management Fees) for each fiscal quarter, subject to a net loss recovery account commonly referred to as a “high water mark” during which time the performance fee percentage may be reduced or eliminated. The Equity Fund pays OIM GP a performance fee at the end of each fiscal year of 10% of the profits over a 3% hurdle and 10% of the profits over the performance of the S&P500 index. Certain investors in the Funds may pay a higher or lower Performance Fee or no Performance Fee (see *Special Fee Arrangements*, below). Any Performance Fee with respect to a Fund will be payable following the completion of the unaudited financial statements of the Fund for the relevant quarter, as prepared by Fund’s valuation agent. Performance Fees are directly debited from the Funds’ accounts.

Realization Fee. Alexandra Global LV, Ltd. is a liquidating vehicle with illiquid assets. OIM has been appointed liquidator for all of the assets held by Alexandra Global Master, Ltd on behalf of Alexandra Global LV, Ltd. investors and is paid a 1% realization fee (the “**Realization Fee**”) for all cash it returns to investors following asset sales.

Other Fees and Expenses. In addition to the Management Fees and any Performance Fees, investors in the Funds also bear organizational, offering and operating expenses. These additional expenses include expenses incurred in connection with investments made or considered by a Fund, such as custodial charges, brokerage fees, commissions and related costs, interest expenses, taxes, expenses incurred in connection with legal and regulatory matters, and certain overhead expenses. (See Item 12 for a discussion of brokerage practices.) Investors in certain of the Funds may be invested in master-feeder structures. Feeder funds bear a pro rata share of the expenses of the master fund. Sub-advisory fees are paid by the Funds out of the management and other fees that OIM would be entitled to receive from the Funds.

Withdrawal or Redemption from a Fund; Redemption Fees. An investor holding certain classes of shares of certain Funds may be subject to a redemption fee ranging from 2% to 5% should they voluntarily redeem all or part of their shares prior to the second anniversary of the date of issuance of the shares to the investor. Redemption Fees are for the benefit of the Fund from which a withdrawal took place. Neither OIM nor any of its related persons participates in any Redemption Fee.

In the event that an investor withdraws from, or redeems its interest in, any Fund on a date other than on the last business day of a fiscal quarter, the applicable Performance Fee and Management Fee will be determined as of the withdrawal date or the redemption date, as applicable, with respect to the amount withdrawn or redeemed.

Special Fee Arrangements. Each of the Funds may from time to time negotiate and enter into arrangements with certain third-party investors that have the effect of altering or supplementing the terms of such investors’ investments in the Funds including, but not limited to, rebating a portion of the Performance Fee or Management Fee, or both, to such investor, or reducing or waiving the

Redemption Fee. In addition, each of the Funds may rebate all or a portion of the Performance Fee or Management Fee, or both, or may reduce or waive the Redemption Fee, with respect to investments in the Funds made by partners, directors, officers, employees, consultants or affiliates of OIM.

Distribution Fees and Arrangements. For certain Funds, a distributor will receive a distributor's fee for each subscription of shares, which is up to for equal to 1.5% of the amount of such subscription (the "Subscription Fee"). These fees are deducted from the subscription amount. A prospective investor referred by a placement agent or other person will receive appropriate disclosure regarding the compensation arrangement with such agent or person. Neither OIM nor any of its related persons participates in the Subscription Fee. OIM may share part of its Management and or Performance Fee with a placement agent who has introduced an investor to a Fund.

No Additional Compensation. Except as described above and in a Fund's offering materials, OIM and its related persons do not accept compensation, including sales charges or service fees, from any person for the sale of securities or other investment products.

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

Performance-Based Fees. As described in Item 5 ("Fees and Compensation") above, OIM is entitled to receive a Performance Fee from the Funds. A Performance Fee is an advisory fee based on a percentage of capital gains or capital appreciation of client assets, and is tied explicitly to the performance of the Funds. Because the Performance Fees for the Funds are not all structured the same, certain Funds may pay a higher Performance Fee than other Funds under certain circumstances. This creates a conflict of interest because OIM could potentially receive higher fees from the Funds that would pay higher Performance Fees under these circumstances. OIM may have the incentive to allocate the most potentially promising or profitable investment ideas to the Fund(s) that would pay the higher resulting Performance Fee. Additionally, because a Performance Fee is not paid unless the Funds achieve a certain level of performance, the performance-based compensation arrangement may create an incentive for OIM to make investments that are riskier or more speculative than might be the case in the absence of compensation based on performance. To manage these potential conflicts of interest:

- All Funds are managed to the Funds' individual strategies, as described in the Funds' respective offering materials.
- OIM performs a periodic review of each Fund's investment strategy in relation to its actual holdings.
- OIM has implemented trade allocation procedures and policies (as described below) designed to ensure that all Funds are treated fairly and equally and to prevent these conflicts of interest from influencing the allocation of investment opportunities among the Funds.

Management of Funds Side-by-Side. OIM currently acts as Investment Adviser to each of the Funds. The Funds pursue multiple investment strategies, some of which are similar to, or the same as, and some of which are different from, strategies pursued by other Funds. In the future, OIM or its affiliates may also form, manage or carry on investment activities with respect to other investment funds or accounts, some of which may have investment objectives and follow investment programs similar to the Funds and which may be in competition with the Funds and which may involve substantial time and resources of OIM (and its related persons). Although OIM and its related persons will devote as much of their time to the activities of the Funds as they deem necessary and appropriate, these other activities could be viewed as creating a conflict of interest in that the time and effort of OIM and its related persons will be allocated among various clients.

OIM may give investment advice or make an investment recommendation to one Fund that may differ or conflict with advice or recommendations given to another Fund, even though both Funds' investment objectives may be the same or similar. The allocation of investment opportunities that are suitable for multiple Funds may give rise to a conflict of interest. Investment opportunities that are suitable for multiple Funds, based on the Funds' investment strategies and guidelines, will generally be allocated among the suitable Funds on a *pro rata* basis in proportion to the size of each Fund (or if applicable, in proportion to the total capital allocated to the relevant strategy or asset class for each Fund), except when (i) a Fund's investment guidelines and restrictions would not permit such an allocation; (ii) a *pro rata* allocation would result in a *de minimis* allocation to one or more Fund; or (iii) OIM determines that an allocation on a *non-pro rata* basis would be fair under the circumstances and the reason(s) for the different allocation is approved in writing by the Compliance Officer. Reasons for allocating on a *non-pro rata* basis under (iii) may include, without limitation, the availability of cash (including non-invested capital for new Funds or in connection with cash inflows), liquidity requirements, different investment objectives among Funds, and tax or legal reasons. Notwithstanding the foregoing, in the event that OIM's investment team (the "**Investment Team**") anticipates that, for a particular month, allocations among Funds will vary from its general *pro rata* allocation policy, a *non-pro rata* allocation of investment opportunities among Funds for that month may be established with the approval of OIM's Compliance Officer. If a monthly allocation methodology is established, the Investment Team and the Chief Risk Officer will have an ongoing obligation to monitor any changes in circumstances to ensure that such a methodology continues to be appropriate.

Notwithstanding the foregoing, securities will not be allocated *pro rata* with other Funds unless OIM's Investment Team is consulted on the proposed purchase prior to the execution for the order and a determination is made that such investment would be suitable for other Funds. In the event that an investment opportunity is deemed suitable for other Funds, the allocation shall be made on a *pro rata* basis or as otherwise set forth above.

In general, if OIM determines to purchase or sell a security at the same time for more than one of its Funds, orders placed by OIM for such security on behalf of such Funds will generally be aggregated, and if the orders are filled at several different prices, through multiple trades in a single day, a weighted average price will be calculated for all such trades and all such participating Funds will receive the weighted average price and will share the transaction costs on a *pro rata* basis. See "Brokerage Practices" (Item 12) for further information regarding aggregation of orders.

OIM may from, time to time, effect direct "cross" transactions between the Funds, in which one Fund will purchase securities held by another Fund. Such transactions will only be entered into in connection with the rebalancing of the portfolios or when OIM deems the transaction to be in the best interest of both Funds, and at an independent market price determined by OIM or its designee. Neither OIM nor any related person will receive any compensation in connection with such "cross" transactions.

Personal Investment Activities of Related Persons. OIM generally do not engage in any proprietary trading for their own accounts. Partners, officers and employees of OIM may engage, from time to time, in personal trading of securities and other instruments, including securities and instruments in which the Funds may invest. In addition, such persons may make investments, including investments in, and financings, acquisitions and dispositions of, securities for their personal accounts, in each case without any obligation to offer investment opportunities to, or share income derived from these activities with, any of the Funds.

Transactions by related persons of OIM are subject to OIM's Code of Ethics, which is designed to detect and address conflicts of interest. In addition to various trading restrictions, personal securities transactions are monitored and in some cases pre-cleared by OIM's compliance personnel. See "Code

of Ethics, Participation or Interest in Client Transactions and Personal Trading” (Item 11).

See also “Methods of Analysis, Investment Strategies and Risk of Loss” (Item 8) for further information.

Item 7 Types of Clients

OIM provides investment advice to privately offered offshore and onshore pooled investment vehicles (referred to herein as the “**Funds**”). OIM also acts as liquidator to certain offshore pooled investment vehicles that are in the process of liquidating (referred to herein as the “**Liquidating Vehicle**”).

Interests in the Funds are offered and sold exclusively to investors satisfying the applicable eligibility and suitability requirements, either in private transactions within the United States or in offshore transactions. (See Item 4.) Typically, these investors are high net worth individuals, institutions and other entities.

Investors in the Funds are required to make minimum initial investments ranging from \$100,000 to \$1,000,000, which minimums may be waived in accordance with each Fund’s offering materials and applicable legal requirements, subject to absolute minimum investments ranging from \$50,000 to \$100,000. Additional requirements for investing in the Funds are contained in the Funds’ offering materials.

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

The following is a summary of the investment strategies used by OIM in managing the assets of the Funds. The use of the term “Investment Adviser” in this section refers to both OIM. There is no guarantee that any Fund will achieve its investment objective. Investing in securities such as interests in the Funds involves the risk of loss of an investor’s investment. The investment techniques and the Fund’s activities could result in substantial or complete loss of an investor’s investment in certain circumstances. Investors in the Funds should be prepared to bear this risk of loss.

Thematic Equity Investing. This equity strategy focuses on U.S. companies whose assets benefit from sustainable behavioral changes within a variety of themes including aging population, e-commerce development, cloud computing, infrastructure and agriculture. The Equity Fund is positioned to generate alpha by selecting companies which are poised to have pricing power and a ROCE superior to its cost of capital through minimal leverage. Value is derived from identifying companies that generate positive economic value on a consistent basis and exploiting unseen inefficiencies. Overvalued stocks or sectors with a deteriorating economic moat are sold short.

Convertible Strategies. In managing the Bond Funds, the Investment Adviser primarily follows the investment objective of achieving an attractive risk-adjusted rate of return, consistent with a focus on preservation of capital, principally by utilizing investment strategies known as “Special Situations,” “Convertible Long,” “Convertible Credit,” and “Convertible Arbitrage.” Each of these strategies is further described below. If these strategies are not producing the desired returns, the Investment Adviser may, in its discretion, seek to enhance the returns of the Funds by investing in other instruments and security classes. Investors and prospective investors should refer to each Fund’s confidential offering documents for a description of the particular investment strategies pursued by each Fund.

- *Special Situations.* The Bond Funds will seek to generate and/or participate in Special Situations where the Funds may be involved in corporate liability restructurings, asset liquidations, mergers

and acquisitions of an issuer. In these transactions, the Funds may acquire convertible or non-convertible debt securities of the issuer, including, upon occasion, non-performing debt instruments, in the open market and then negotiate with the issuer for more favorable terms upon which such debt may be retired or exchanged for equity or other debt securities of the same issuer.

- *Convertible Long.* In Convertible Long, positions are taken in convertible bonds, preferred stocks, warrants, rights or options fundamentally related to the same underlying risk issuer. The Investment Adviser will employ proprietary theoretical valuation techniques and fundamental research capabilities in an effort to seek investment opportunities where it believes there are attractive price discrepancies between the market value of the convertible instruments and their related underlying common stocks or their maturity value. Convertible instruments will be analyzed by comparing their expected values, determined by the Investment Adviser on the basis of fundamental and quantitative analysis, both relative to the underlying security and on a stand-alone basis. The differences between such expected values and the actual market prices are proportionate to the expected investment returns and may be driven by several factors, such as volatility of the underlying common equity, credit spreads, interest rates and currency exchange rates. The Investment Adviser will seek to isolate one or more such factors in furtherance of this investment objective. The Investment Adviser will also seek to enhance the return of each position by evaluating the simultaneous dynamics of the convertible instrument, its related underlying common stock and other related securities and subsequently implementing appropriate adjustments to positions.

The Investment Adviser believes that the Convertible Long strategy to be pursued by the Fund is typically more profitable where markets are less efficient, *i.e.* where market prices, both on a stand-alone basis and relative to other securities and financial instruments, do not fully or immediately reflect relevant economic and fundamental factors and other important information. Accordingly, a key element of the Investment Adviser's strategy for the Fund will be to focus on those securities and global markets, which, in its opinion, are least efficient and thus afford attractive investment opportunities. In such markets, the Investment Adviser will generally give specific consideration to issues of market microstructure, liquidity, legal environment and other relevant aspects contributing to market inefficiencies. The Fund will generally invest in securities traded on stock exchanges or over-the-counter, but may also invest in securities or other financial instruments with limited or no trading markets.

- *Convertible Credit.* The Funds will also seek to generate alpha in Convertible Credit through the purchase of "busted" convertible bonds that the Investment Adviser believes to be undervalued. A "busted" convertible bond is one where the Investment Adviser believes the equity option underlying the bond has little to no value and trades as a straight fixed income instrument. The Investment Adviser will seek to analyze busted convertible bonds by comparing the expected value of such bonds, determined by the Investment Adviser on the basis of fundamental and quantitative analysis, relative to similar or *pari passu* fixed income instruments. The Investment Adviser believes that the differences between such expected values and the actual market prices are proportionate to the expected investment returns and may be driven by several factors, such as the volatility of credit spreads, interest rates and currency exchange rates. The Investment Adviser will seek to isolate one or more of such factors in furtherance of its investment objective. Furthermore, the Investment Adviser will seek to enhance the return of each position by evaluating the simultaneous dynamics of the convertible instrument, its related fixed income value and the value of other related securities, and subsequently implementing adjustments that it believes are appropriate of both long and related short credit positions.
- *Convertible Arbitrage.* In Relative Value Convertible Arbitrage, simultaneous long and offsetting short positions are taken in convertible bonds, preferred stocks, warrants, rights or options

fundamentally related to the same underlying issuer. By employing proprietary theoretical valuation techniques and fundamental research capabilities, the Investment Adviser will also seek investment opportunities where it believes there are attractive price discrepancies between convertible instruments, its related underlying common stocks and other related securities. Convertible instruments will be analyzed by comparing their expected values, determined by the Investment Adviser on the basis of fundamental and quantitative analysis, both relative to the underlying security and on a stand-alone basis. The differences between such expected values and the actual market prices are proportionate to the expected investment returns and may be driven by several factors, such as volatility of the underlying common equity, credit spreads, interest rates and currency exchange rates. The Investment Adviser will seek to isolate one or more such factors in furtherance of its investment objective. Furthermore, the Investment Adviser will seek to enhance the return of each position by evaluating the simultaneous dynamics of the convertible instrument, its related underlying common stock and other related securities and subsequently implementing appropriate adjustments of both long and related short positions.

The Investment Adviser believes that the Convertible Arbitrage strategy to be pursued by the Funds is typically more profitable where markets are less efficient, *i.e.* where market prices, both on a stand-alone basis and relative to other securities and financial instruments, do not fully or immediately reflect relevant economic and fundamental factors and other important information. Accordingly, a key element of the Investment Adviser's strategy for the Funds will be to focus on those securities and global markets, which, in its opinion, are least efficient and thus afford attractive investment opportunities. In such markets, the Investment Adviser will generally give specific consideration to issues of market microstructure, liquidity, legal environment and other relevant aspects contributing to market inefficiencies. The Funds will generally invest in securities traded on stock exchanges or over-the-counter, but may also invest in securities or other financial instruments with limited or no trading markets.

- *Cash/Short-Term Debt Instruments.* It is not an investment goal of the Funds to be fully invested at all times. Accordingly, there may be periods of time during which a Fund has significant investments in cash equivalents or short-term debt securities and/or other financial instruments with a high degree of liquidity and credit quality as a result of market conditions or pending the identification of attractive opportunities for arbitrage or other investments in accordance with its overall strategy. The Investment Adviser maintains sole discretion with respect to the allocation of a Fund's assets among all investment opportunities, subject to investment and risk guidelines. Allocation decisions may depend on, among other things, the investment capacity of each market or strategy, the degree to which the expected returns for the investment opportunities are not typically correlated to each other (in an effort to mitigate potential volatility) and the Investment Adviser's confidence in each strategy's ability to perform.

A Fund may invest cash in short-term instruments pending capital contributions to the Fund, payment of expenses, liabilities or distributions, or in other circumstances deemed necessary or appropriate by the Investment Adviser, in its sole discretion.

Feeder Funds. The feeder funds do not expect to make any investments other than their investment in the master fund; except that a feeder fund may (i) invest cash in short-term instruments pending capital contributions to the master fund, payment of expenses or liabilities or distributions and (ii) in certain circumstances, make direct investments in securities and other instruments if the Investment Adviser determines in its sole discretion, that such direct investments may provide foreign exchange, tax, legal, regulatory or other benefits to the feeder fund.

Types of Investments. The Investment Adviser may (but is not obligated to) invest the assets of the Funds in any of the following types of investments: convertible securities, corporate debt securities, and

exchange-listed or over-the-counter equities of U.S. or foreign issuers, options on securities or commodities, warrants, options on futures, foreign exchange forward contracts, foreign exchange option contracts, asset swaps, total return swaps, and credit default swaps. It may also invest Fund assets in fixed income securities, bank loans, commercial paper, certificates of deposit, municipal securities, government securities, futures on tangibles or intangibles, partnerships investing real estate, oil and gas, private investments in public entities, and products linked to indices (including exchange-traded funds (“ETFs”)) and closed-end mutual funds (including ETFs). The Investment Adviser may also, pursuant to its investment advisory agreements, provide advice with respect to interest rate futures contracts; corporate bonds; and securities and other financial instruments of United States and non-United States entities, including, without limitation: capital stock; shares of beneficial interest; partnership interests and similar financial instruments; bonds, notes and debentures (whether subordinated, convertible or otherwise); currencies; commodities; interest rate, currency, commodity, equity and other derivative products, including, without limitation, (i) futures contracts (and options thereon) relating to stock indices, currencies, United States Government securities and securities of other governments, other financial instruments and all other commodities, (ii) swaps, options, warrants, caps, collars, floors and forward rate agreements, (iii) spot and forward currency transactions and (iv) agreements relating to or securing such transactions; equipment lease certificates; equipment trust certificates; loans; accounts and notes receivable and payable held by trade or other creditors; trade acceptances; contract and other claims; executory contracts; participations; money market funds; obligations of the United States or any state thereof, other governments and instrumentalities of any of them; commercial paper; certificates of deposit; bankers’ acceptances; choses in action; trust receipts; and any other obligations and instruments or evidences of indebtedness of whatever kind or nature; in each case, of any person, corporation, government or other entity whatsoever, whether or not publicly traded or readily marketable.

Risk of Loss. The following is a summary of the material risks relating to OIM’s significant investment strategies and methods of analysis. More complete information on the risks associated with an investment in the Funds can be found in the Funds’ confidential offering documents.

Risks of Investments in Securities Generally.

All securities investments risk the loss of capital. No guarantee or representation is made that a Fund’s investment program will be successful. A Fund’s investment program will involve, without limitation, risks associated with limited diversification, leverage, interest rates, currencies, volatility, tracking risks in hedged positions, security borrowing risks in short sales, credit deterioration or default risks, systems risks and other risks inherent in a Fund’s activities. In addition, a Fund’s investment in securities may be materially affected by conditions in the financial markets and overall economic conditions occurring globally and in particular countries or markets where the Fund invests its assets. Certain investment techniques of the Fund can, in certain circumstances, magnify the impact of adverse market moves to which the Fund may be subject.

A Fund’s methods of minimizing risks may not accurately predict future risk exposures. Risk management techniques are based in part on the observation of historical market behavior, which may not predict market divergences that are larger than historical indicators. Also, information used to manage risks may not be accurate, complete or current, and such information or models may be misinterpreted by the Investment Adviser.

Risks Associated with the Investment Strategies.

Convertible Strategies Generally. The Convertible Strategies are dependent upon relative, rather than absolute, price movements (*i.e.*, the price disparity between two similar securities, rather than price

appreciation or depreciation), and are designed, therefore, to achieve returns independent of general market price movements. Accordingly, it is not anticipated that a Fund's arbitrage investments will be subject generally to market risks applicable to so-called "fundamental" or "value" investing, which are generally dependent upon market-price appreciation. However, there are certain risks inherent in a Fund's investment activities, including those described below. In addition to the risks associated with the Convertible Strategies, there are other risks associated with the investment strategies more generally, including with respect to the types of investments that will be made and the investment process to be used by the Investment Adviser.

Opportunities. The Convertible Strategies are intended to exploit price inefficiencies in the global securities markets. In order for a Fund to achieve attractive rates of return utilizing such strategies, investment opportunities must be identified on a continuing basis, which are both attractive and sufficient to apply a Fund's available capital. Although the Investment Adviser has employed the Convertible Strategies in connection with managing other investment funds and other private accounts, opportunities for the optimum use of such strategies may at times be limited. There can be no assurance that opportunities will necessarily always be present or continue to occur at satisfactory levels. The Investment Adviser has discretion to invest a Fund's assets in other investment opportunities at times when the use of convertible strategies is limited. During periods where attractive investment opportunities (including arbitrage situations or, to a lesser extent, unhedged debt or equity positions) are unavailable, the Investment Adviser may invest a Fund's assets in short-term positions, which may include cash equivalents as well as short-term debt and/or other financial instruments deemed appropriate by the Investment Adviser. Depending upon yield and duration, such short-term investments may affect a Fund's overall rate of return.

Special Situations. The Funds may invest in companies that are involved in (or are the target of) acquisition attempts or tender offers, spin-offs, reorganizations or similar transactions. In any investment opportunity involving these types of transactions, there exists the risk that the transaction either will be unsuccessful, will take considerable time or will result in a distribution of cash or a new security, the value of which will be less than the purchase price of such investments. As a result, a Fund may suffer a loss, which may be complete, on any such investment.

Insolvency Considerations with Respect to Issuers of Indebtedness. Various laws enacted for the protection of creditors may apply to debt instruments, including convertible debt, in which the Fund may invest. The information in this paragraph is applicable with respect to U.S. issuers subject to U.S. federal bankruptcy law. Insolvency considerations may differ with respect to other issuers. If a court in a lawsuit brought by an unpaid creditor or representative of creditors of an issuer of a debt instrument, such as a trustee in bankruptcy, were to find that the issuer did not receive fair consideration or reasonably equivalent value for incurring the indebtedness, and after giving effect to such indebtedness, the issuer (i) was insolvent, (ii) was engaged in a business for which the remaining assets of such issuer constituted unreasonably small capital or (iii) intended to incur, or believed that it would incur, debts beyond its ability to pay such debts as they matured, such court could determine to invalidate, in whole or in part, such indebtedness as a fraudulent conveyance, to subordinate such indebtedness to existing or future creditors of such issuer, or to permit such issuer to recover amounts previously paid by such issuer in satisfaction of such indebtedness. The measure of insolvency for these purposes will vary. Generally, an issuer would be considered insolvent at a particular time if the sum of its debts were then greater than all of its property at a fair valuation, or if the present fair saleable value of its assets were then less than the amount that would be required to pay its probable liabilities on its existing debts as they became absolute and matured. There can be no assurance as to what standard a court would apply in order to determine whether the issuer was "insolvent" after giving effect to the incurrence of the indebtedness in which the Fund invested or that, regardless of the method of valuation, a court would not determine that the issuer was "insolvent" upon giving effect to such incurrence. In addition, in the

event of the insolvency of an issuer of indebtedness in which the Fund invests, payments made on such indebtedness could be subject to avoidance as a “preference” if made within a certain period of time (which may be as long as one year) before insolvency. In general, if payments on indebtedness are avoidable, whether as fraudulent conveyances or preferences, such payments can be recaptured from a Fund.

Frequently, a debtor seeking to reorganize under U.S. federal bankruptcy law will obtain a “first day” order from the bankruptcy court limiting trading in claims against, and shares of, the debtor in order to maximize the debtor’s ability to utilize net operating losses following a successful reorganization. Such an order could in some circumstances adversely affect a Fund’s ability to successfully implement an investment strategy with respect to a bankrupt company.

Indebtedness consisting of obligations of non-U.S. issuers may be subject to various laws enacted in the countries of their issuance for the protection of creditors. These insolvency considerations will differ depending on the country in which each issuer is located or domiciled and may differ depending on whether the issuer is a non-sovereign or a sovereign entity.

Credit Risk. Because many purchases, sales, financing arrangements, securities lending transactions and derivative transactions in which a Fund may engage involve instruments that are not traded on an exchange but are instead traded between counterparties based on contractual relationships, a Fund is subject to the risk that a counterparty will not perform its obligations under the related contracts. There can be no assurance that a counterparty will not default and that a Fund will not sustain a loss on a transaction as a result.

In situations where a Fund is required to post margin or other collateral with a counterparty, the counterparty may fail to segregate the collateral or may commingle the collateral with the counterparty’s own assets. As a result, in the event of the counterparty’s bankruptcy or insolvency, a Fund’s collateral may be subject to the conflicting claims of the counterparty’s creditors and the Fund may be exposed to the risk of a court treating it as a general unsecured creditor of the counterparty, rather than as the owner of the collateral.

In the event of the bankruptcy or insolvency of a U.S. prime broker, even if assets are segregated, the Fund is subject to risk that it will not receive a complete return of those assets. Under SEC rules, the prime broker must segregate “fully paid” customer securities and “excess margin securities” for the benefit of customers. In addition, pursuant to the SEC reserve formula, the prime broker must place customer funds in a segregated account for the benefit of customers to assure that there will be sufficient assets to satisfy all customer claims. Nonetheless, except with respect to physical securities held in a Fund’s name, a Fund will not have a right to the return of specific assets but rather will generally have a claim based on the net equity in its account. A customer’s net equity claim equals the dollar value of (i) all cash held in a customer’s account for the purchase of securities (including proceeds from the sale of securities) plus (ii) the value of securities held in such account (determined as of the date of the bankruptcy petition filing), less any amounts owed by the customer to the broker-dealer. With respect to securities, a Fund will be entitled to its proportionate share of securities held by the prime broker on behalf of all customers. If there is a shortfall, the customers will share proportionally in the loss. With respect to cash, there will be a net calculation whereby all obligations owed to the prime broker are netted against all cash owed to customers. Securities Investor Protection Corporation (“SIPC”) will guarantee the shortfall up to US\$500,000 per customer account with a maximum of US\$100,000 in cash. Many firms have additional liquidation insurance which may supplement the SIPC insurance coverage. In the event that there are still customer shortfalls after all of the insurance coverage is used, a Fund will become a general unsecured creditor of the Prime Broker for the remainder of its claim. In the event that a Fund’s assets are used to support margin loans or are otherwise re-hypothecated

pursuant to a Fund's permission, the assets will not be protected under the SEC segregation requirement, reserve formula or SIPC liquidation insurance. Further, not all activities or transactions conducted with the prime broker are subject to these customer protection rules. If the assets are custodied with a foreign broker-dealer, the above U.S. regulations do not apply and the law in the local jurisdiction will govern the disposition of assets of the broker-dealer upon liquidation.

A Fund is subject to the risk that issuers of the instruments in which they invest and trade may default on their obligations under those instruments and that certain events may occur that have an immediate and significant adverse effect on the value of those instruments. There can be no assurance that an issuer of an instrument in which a Fund invests will not default, or that an event that has an immediate and significant adverse effect on the value of an instrument will not occur and that a Fund will not sustain a loss on a transaction as a result.

Transactions entered into by a Fund may be executed on various U.S. and non-U.S. exchanges and may be cleared and settled through various clearing houses, custodians, depositories and prime brokers throughout the world. There can be no assurance that a failure by any such entity will not lead to a loss to a Fund.

Competition. The markets in which the Funds will invest are expected to be extremely competitive. There can be no assurance that the Funds will be able to identify or successfully pursue attractive investment opportunities in this environment. The Funds compete with many firms that have substantially greater financial resources, more favorable financing arrangements, larger research staffs and more securities traders than are available to the Funds.

Concentration. The Investment Adviser may focus a Fund's investments upon situations where the opportunities for the Convertible Strategies, in its opinion, are especially attractive. This approach may involve the concentration of investment positions in issuers, securities, markets or geographical areas which offer at the time the most attractive returns, based upon such party's analytical methods. Although the Convertible Strategies are designed to be independent of underlying security values and price direction, the fact of such concentration may create a higher level of risk from unforeseen market or economic factors than if a Fund's portfolios were substantially diversified. In the case of un-hedged portfolio positions, the level of concentration can significantly increase investment risk and affect a Fund's overall return (both positively and negatively). The Funds' investment guidelines generally restrict the Funds from investing more than 20% of their available capital in any single issuer; this investment guideline may be varied, however, at the discretion of the Investment Adviser.

Short Selling. A significant risk arises in short selling, which involves the sale of securities not owned by the investor by borrowing such securities from a third party for re-delivery at a later date. The Investment Adviser may utilize short selling to a substantial degree as an essential feature of implementing a Fund's investment strategy. Generally, lenders of securities to short sellers are free to demand their re-delivery at any time. Untimely demands for such re-delivery could, by requiring the premature unwinding of positions or other action, limit the profitability or, on occasion, result in a loss. The Investment Adviser will seek to assure satisfactory sources of securities for a Fund's short-selling activities to limit such circumstances, but there can be no assurance that it will be successful in doing so.

Leverage. In addition to short selling, a Fund may also extensively employ leverage (*i.e.*, the use of borrowed funds or securities) as an inherent tool in its investment strategies. While the use of leverage can increase the rate of return, it also can increase the magnitude of loss in unprofitable positions, and can increase borrowing costs. In addition, the expense of acquiring borrowed securities for re-delivery can increase a Fund's exposure.

Hedging Transactions. A Fund may utilize a variety of financial instruments, such as short sales, options, swaps, caps and floors, and futures and forwards contracts and similar derivatives, both for investment purposes and for risk management purposes. While the Fund may enter into hedging transactions to seek to reduce risk, such transactions may result in a poorer overall performance for the Fund than if it had not engaged in any such hedging transaction. Moreover, it should be noted that (1) the Investment Adviser may determine not to hedge against certain risks; and (2) a Fund's portfolio will always be exposed to certain risks that cannot be hedged such as, in many cases, credit risk (relating both to particular securities and counterparties).

Non-U.S. Concentration; Non-U.S. Investments. A Fund's investments will partially be made in issuers that derive significant revenues from operations outside of the U.S. Due to this concentration, a Fund's investments may be subject to price declines due to problems in the global economy, currency changes and other problems. The Funds will actively trade non-U.S. fixed convertible bonds, equities and related derivative instruments and underlying equity securities, on both U.S. and non-U.S. exchanges, and will acquire positions in other equity securities, convertible bonds, and related derivative instruments issued by non-U.S. companies or exchanges and/or denominated in non-dollar currencies. Non-U.S. investments present risks not present in U.S. markets, including risks related to trade balances and imbalances and related economic policies, imposition of exchange control regulation by the U.S. or foreign governments, U.S. and foreign withholding taxes, limitations on the removal of funds or other assets, policies of governments with respect to possible nationalization of their industries, political difficulties, expropriation of assets, confiscatory taxation, economic or political instability in foreign nations, the possibility of government intervention, lack of or differences in regulatory structure, currency exchange rate fluctuations, the increased volatility of certain markets and the occurrence of significant political or economic events.

There may be less publicly available information about certain non-U.S. companies than would be the case for comparable companies in the U.S. and certain 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. Securities markets outside the U.S., while growing in volume, have for the most part substantially less volume than U.S. markets, and many securities traded on these non-U.S. markets are less liquid and their prices more volatile than securities of comparable U.S. companies. In addition, settlement of trades in some non-U.S. markets is much slower and more subject to failure than in U.S. markets. There also may be less extensive regulation of the securities markets in particular non-U.S. countries than in the U.S.

Additional costs could be incurred in connection with a Fund's international investment activities. Brokerage commissions are generally higher outside of the U.S. Increased custodian costs as well as administrative difficulties (such as the applicability of non-U.S. laws to non-U.S. custodians in various circumstances, including bankruptcy, ability to recover lost assets, expropriation, nationalization and record access) may be associated with the maintenance of assets in jurisdictions outside of the U.S.

Risk Arbitrage. The difference between the price paid by a Fund for securities of a company involved in an announced deal and the anticipated value to be received for such securities upon consummation of the proposed transaction will often be very small. If the proposed transaction appears likely not to be consummated or in fact is not consummated or is delayed, the market price of the securities will usually decline sharply, perhaps by more than a Fund's anticipated profit.

The consummation of mergers and tender and exchange offers can be prevented or delayed by a variety of factors, including: (i) opposition of the management or shareholders of the target company, which often results in litigation to enjoin the proposed transaction; (ii) intervention of a U.S. federal or state regulatory agency; (iii) efforts by the target company to pursue a "defensive" strategy, including a

merger with, or a friendly tender offer by, a company other than the offeror; (iv) in the case of a merger, failure to obtain the necessary shareholder approvals; (v) market conditions resulting in material changes in securities prices; and (vi) compliance with any applicable U.S. federal or state securities laws. To the extent that a Fund's positions are leveraged, delay in the consummation of a proposed transaction increases the cost incurred by a Fund.

Often a tender or exchange offer is made for less than all of the outstanding securities of an issuer or a higher price is offered for a limited amount of the securities, with the provision that, if a greater number is tendered, securities will be accepted *pro rata*. Thus, a tendering arbitrageur may have returned a portion of the securities tendered. Since, after completion of the tender offer, the market price of the securities may have declined below its cost, a sale of any returned securities may result in a loss.

The Funds may invest and trade in securities of companies that are believed to be undervalued in the sense that, although they are not the subject of an announced tender offer, merger or acquisition transaction, the companies are viewed as potential candidates for such a transaction. In such a case, if the anticipated transaction does not in fact occur, a Fund may sell the securities at a loss.

Highly Volatile Markets. The prices of commodities contracts and all derivative instruments, including futures and options prices, can be highly volatile. Price movements of forward, futures and other derivative contracts in which a Fund's assets may be invested are influenced by, among other things, interest rates, changing supply and demand relationships, trade, fiscal, monetary and exchange control programs and policies of governments, and national and international political and economic events and policies. In addition, governments from time to time intervene, directly and by regulation, in certain markets, particularly in currency, financial instrument futures and options markets. Such intervention often is intended directly to influence prices and may, together with other factors, cause all of such markets to move rapidly in the same direction because of, among other things, interest rate fluctuations. The Funds are also subject to the risk of the failure of any of the exchanges on which their positions trade or of its clearinghouses.

Technical Risks. As a hedging technique, the Funds intend to protect against loss and assure at least a minimum satisfactory rate of return. Successful implementation of such strategies requires the use of investment formulas, computer programs and analytical models, which, by their nature, are complex and frequently subject to adjustment. While the Investment Adviser intends to utilize programs and other investment tools believed by it to be tested and reliable, there can be no assurance that every arbitrage position will necessarily result in any particular rate of return or absolute protection from loss. For example, such factors as aberrant market behavior, sudden loss of liquidity (such as a trading suspension, insolvency or other extraordinary event) or temporary technical failure (such as an inability to timely execute an order in the desired market) could impair a particular position and possibly each Fund's overall return.

In addition, the Funds may employ quantitatively-based financial/analytical models to aid in the selection of its investments, to allocate investments across strategies, sectors and risks and to determine the risk profile of the Fund. To the extent that any such quantitative models are employed, the success of a Fund's investment and trading activities will depend, in large part, on the viability of these models. There can be no assurance that the models are currently viable, or, if the models are currently viable, that they will remain viable during the term of the Fund. Also, there can be no assurance that the investment professionals utilizing the models will be able to (i) determine that any model is or will become not viable or not completely viable or (ii) notice, predict or adequately react to any change in the viability of a model. The use of a model that is not viable or not completely viable could, at any time, have a material adverse effect on the performance of a Fund.

Risks Associated with Specific Instruments.

Equity Risks. The Funds invest in equity and equity-derivative securities. The value of these securities generally will vary with the performance of the issuer and movements in the equity markets. As a result, the Funds may suffer losses if they invest in equity securities of issuers whose performance falls below market expectations or if equity markets generally decline and the Funds have not hedged against such a general decline. In its equity derivatives, a Fund is exposed to risks that issuers will not fulfill their contractual obligations to the Fund, such as delivering marketable common stock upon conversions of convertible securities, registering restricted securities for public resale and maintaining listings on exchanges.

Non-Investment Grade Debt Securities. The Funds may invest and trade in debt instruments that are below “investment grade,” the issuers of which tend to have a greater risk of ongoing uncertainties and exposure to adverse business, financial and economic conditions. This in turn could lead to a particular issuer’s inability to meet timely interest and principal payment on its debt obligations. Such debt instruments tend to be, in relative terms, highly volatile and illiquid. The market values of certain of these non-investment grade debt instruments tend to reflect individual corporate developments to a greater extent than do investment grade debt instruments, which tend to react more so to fluctuations in the general level of interest rates. A Fund’s ability to realize significant appreciation in the value (or relative value) of certain “high yield” or non-performing debt instruments may depend upon the issuer’s ability to achieve a successful reorganization or restructuring.

Non-Publicly Traded Debt and Corporate Bank Loans. The Funds may invest in non-publicly traded or otherwise illiquid securities, including bank loans and loan participations. If a Fund was forced to rapidly divest such financial instruments, it might only be able to do so at disadvantageous pricing levels.

Distressed Securities. The Funds may invest in distressed securities. Distressed securities generally entail greater risks due to such things as sensitivity to general economic and capital market conditions, interest rates, risks associated with leveraged companies and risks inherent in investing in companies experiencing financial and operating distress (*e.g.*, issuer credit risk). Distressed securities generally have very low credit ratings or are unrated by credit rating agencies.

Greater Risk of Loss. Distressed securities are regarded as highly speculative. There is a greater risk that issuers of lower-rated securities will default than issuers of higher-rated securities. Issuers of lower-rated securities generally are more vulnerable to real or perceived economic changes, political changes or adverse industry developments. In addition, distressed debt securities are frequently subordinated to the prior payment of senior indebtedness or have claims that are otherwise junior in priority with regard to the issuer’s assets. If an issuer fails to pay principal or interest, a Fund would experience a decrease in income and a decline in the market value of its investments. These securities carry a much greater risk of default and loss, which could include the loss of the entire amount of the investment.

Valuation Difficulties. It is often more difficult to value distressed and other lower-rated securities than higher-rated securities. If an issuer’s financial condition deteriorates, accurate financial and business information may be limited or unavailable. In addition, lower-rated investments may be thinly traded and there may be no established secondary market. Because of the lack of market pricing and current information for investments in some distressed and lower-rated securities, valuation of such investments is much more dependent on judgment than is the case with higher-rated securities.

Liquidity. There may be no established secondary or public market for investments in distressed and other lower-rated securities. Such securities generally are traded in markets that are less liquid than the market for higher-rated securities. In addition, relatively few institutional purchasers may hold a major portion of an issue of lower-rated securities. As a result, the Funds may be required to sell investments at substantial losses, or may be unable to sell investments.

Commodity Futures Contracts. A Fund's trading in commodity interests may involve substantial risks. The 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. There is no assurance that a liquid secondary market will exist for commodity futures contracts or options purchased or sold, and a Fund may be required to maintain a position until exercise or expiration, which could result in losses. Futures positions may be illiquid because, for example, most U.S. 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." Once the price of a contract for a particular future has increased or decreased by an amount equal to the daily limit, positions in the future can neither be taken nor liquidated unless traders are willing to effect trades at or within the limit. Futures contract prices on various commodities or financial instruments occasionally have moved to the daily limit for several consecutive days with little or no trading. Similar occurrences could prevent a Fund from promptly liquidating unfavorable positions and subject the Fund to substantial losses. In addition, a Fund may not be able to execute futures contract trades at favorable prices if trading volume in such contracts is low. It is also possible that an exchange or the Commodity Futures Trading Commission may suspend trading in a particular contract, order immediate liquidation and settlement of a particular contract or order that trading in a particular contract be conducted for liquidation only.

Forward Trading. Forward contracts and options thereon, unlike futures contracts, are not traded on exchanges and are not standardized; rather, banks and dealers act as principals in these markets, negotiating each transaction on an individual basis. Forward and "cash" trading is substantially unregulated; there is no limitation on daily price movements and speculative position limits are not applicable. The principals who deal in the forward markets are not required to continue to make markets in the currencies or commodities they trade, and these markets can experience periods of illiquidity, sometimes of significant duration. There have been periods during which certain participants in these markets have refused to quote prices for certain currencies or commodities 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. Disruptions can occur in forward markets due to unusually high trading volume, political intervention or other factors. The imposition of controls by governmental authorities might also limit such forward (and futures) trading to less than that which the Investment Adviser would otherwise recommend, to the possible detriment of the Funds. Market illiquidity or disruption could result in significant losses to the Funds.

Call Options. There are risks associated with the sale and purchase of call options. The seller (writer) of a call option which is covered (*e.g.*, the writer holds the underlying security) assumes the risk of a decline in the market price of the underlying security below the purchase price of the underlying security less the premium received, and gives up the opportunity for gain on the underlying security above the exercise price of the option. The seller of an uncovered call option assumes the risk of a theoretically unlimited increase in the market price of the underlying security above the exercise price of the option. The securities necessary to satisfy the exercise of an uncovered call option may be unavailable for purchase, except at much higher prices, thereby reducing or eliminating the value of the premium. Purchasing securities to cover the exercise of an uncovered call option can cause the price of the securities to increase, thereby exacerbating the loss. The buyer of a call option assumes the risk of

losing its entire premium investment in the call option.

Put Options. There are risks associated with the sale and purchase of put options. The seller (writer) of a put option which is covered (*e.g.*, the writer has a short position in the underlying security) assumes the risk of an increase in the market price of the underlying security above the sales price (in establishing the short position) of the underlying security plus the premium received, and gives up the opportunity for gain on the underlying security if the market price falls below the exercise price of the option. The seller of an uncovered put option assumes the risk of a decline in the market price of the underlying security below the exercise price of the option. The buyer of a put option assumes the risk of losing its entire investment in the put option.

Other Derivative Instruments. The Funds may enter into swaps and other derivative instruments. The Funds may take advantage of opportunities with respect to certain other derivative instruments that are not presently contemplated for use or that are currently not available, but that may be developed, to the extent such opportunities are both consistent with the investment objective of the Funds and legally permissible. Special risks may apply to instruments that are invested in by the Funds in the future that cannot be determined at this time or until such instruments are developed or invested in by the Funds. Certain swaps, options and other derivative instruments may be subject to various types of risks, including market risk, liquidity risk, the risk of non-performance by the counterparty, including risks relating to the financial soundness and creditworthiness of the counterparty, legal risk and operations risk.

Risks Relating to Investing in Hedge Funds.

Limited Regulation. The Funds are not required to, and do not intend to, register as investment companies under the Investment Company Act (as defined below) or the laws of any jurisdiction other than the British Virgin Islands, and, accordingly, the provisions of such statutes (which may provide certain regulatory safeguards to investors) are not applicable. Investors therefore will not be afforded any of the protections thereunder.

Inability to Participate in Management of the Funds. The shares that are offered to investors are non-voting, and therefore, investors will have no right or power to take part in the management of a Fund. All investment decisions with respect to a Fund's assets will be made by the Investment Adviser or other delegate. As a result, the success of a Fund will depend largely upon the ability and continuity of such persons. There is no assurance that the investment strategies employed by a Fund will achieve attractive returns or will be successful. Additionally, should any of the Investment Adviser's key managers or principals no longer be associated with the Investment Adviser through death, incapacity, termination of employment, retirement or otherwise for any period of time, the profitability of a Fund's portfolio may suffer materially.

Investment in the Master Fund. As discussed herein, certain of the Funds may invest through a "master-feeder" structure. A "master-feeder" fund structure presents certain unique risks to investors. For example, a smaller feeder fund investing in a master fund may be materially affected by the actions of a larger feeder fund investing in a master fund. If a larger feeder fund withdraws from a master fund, the remaining feeder fund may experience higher pro rata operating expenses, thereby producing lower returns. A master fund may become less diverse due to a redemption by a larger feeder fund, resulting in increased portfolio risk. In addition, a larger feeder fund investing in a master fund would also have a proportionately larger share of voting rights than a small feeder fund with respect to any action by the master fund that requires the approval of master fund shareholders.

Effect of Substantial Redemptions. Substantial redemptions by investors within a short period of time could require the Investment Adviser to liquidate positions more rapidly than would otherwise be desirable, which could adversely affect the value of a Fund's assets. The resulting reduction in a Fund's assets could make it more difficult to generate a positive rate of return or to recoup losses due to a reduced equity base.

Increased Regulatory Oversight. The financial services industry generally, and the activities of hedge funds and their managers, in particular, have been subject to intense and increasing regulatory scrutiny. Such scrutiny may increase a Fund's, the Investment Adviser's exposure to potential liabilities and to legal, compliance and other related costs. Increased regulatory oversight can also impose administrative burdens on a Fund, the Investment Adviser, including, without limitation, responding to investigations and implementing new policies and procedures. Such burdens may divert the Investment Adviser's time, attention and resources from portfolio management activities.

Item 9 Disciplinary Information

We are required to disclose any legal or disciplinary events that are material to a client's or prospective client's evaluation of our advisory business or the integrity of our management. Our firm and our management personnel have no disciplinary events to disclose.

Item 10 Other Financial Industry Activities and Affiliations

OIM GP, LLC is an advisory affiliate of OIM. OIM GP, LLC serves as the general partner to Odyssey PanAmerica Equity Master Fund, L.P. and Odyssey PanAmerica Equity Fund, LP.

OIM has related persons who are managers of limited liability companies or general partners of partnerships that have been established for personal or estate planning purposes. We do not believe that these arrangements present any material conflicts of interest as these activities do not take up a significant amount of time from the related persons. If this should change, OIM has policies and procedures in place to identify and monitor and potential conflicts of interest and will always endeavor to act in the best interest of clients and investors.

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

OIM has adopted a Code of Ethics (the "**Code**") for the purpose of establishing standards of business conduct, fostering a culture of honesty and accountability and assisting employees in complying with the Investment Advisers Act of 1940 (the "**Advisers Act**").

Standards of Business Conduct and Conflicts of Interest. Employees are required to act fairly and in the best interest of the Funds. The Code addresses conflicts of interest that may arise in the course of conducting OIM's business and requires that all employees endeavor to avoid situations that present potential or actual conflicts. OIM has established reporting lines and committees to supervise the activities of its employees. In addition, OIM has adopted certain policies and procedures that are designed to monitor personal investing and related activities and to assist employees in preventing actual or potential conflicts of interest and complying with applicable laws.

Treatment of Inside Information; Prohibition on Market Manipulation. The Code forbids employees from trading, encouraging others to trade or recommending securities or other financial instruments based

on inside information unless such information has been first publicly disclosed and sufficient time has passed before acting upon it. OIM maintains and updates a “restricted list,” which lists those securities or issuers in which employees may not invest for the Funds or themselves. The Code also forbids employees from engaging in any form of market manipulation and has adopted a specific policy aimed at preventing the intentional spreading of false information to manipulate securities prices or markets.

Restrictions on and Reporting of Personal Investing and Related Activities. To avoid potential conflicts that may arise as a result of personal investing activities, OIM has established policies and procedures regarding personal securities reporting and transactions to detect and prevent conflicts of interest. OIM requires all employees to report their personal securities holdings on an annual basis (as well initially upon hire) and personal securities transactions on a quarterly basis. These reports are reviewed in an effort to detect possible conflicts and abuse. In addition to the reporting obligations, employees are required to receive pre-approval for certain personal securities transactions and may be subject to certain other trading restrictions as deemed necessary.

OIM will provide a copy of the Code to any investor or prospective investor upon request. Investors or prospective investors may obtain a copy of OIM’s Code of Ethics by contacting OIM at (212) 676-5630, by writing to us at 135 East 57th Street, 14th Floor, New York, NY, 10022, or by sending an email to us at compliance@oim.us.com.

Interest in Client Transactions. As mentioned herein, OIM acts as Investment Adviser to the Funds and as liquidator to the Liquidating Vehicle and receives certain fees for its advisory services (see Item 5—Fees and Compensation, above). OIM may also, on behalf of a Fund, buy or sell the same securities or instruments in which related personnel of OIM invest. In particular, OIM’s Chief Investment Officer, Mikhail Filimonov, invests in two companies in which Alexandra Global LV, Ltd. also invests. OIM addresses the conflict of interest presented by these transactions by having OIM’s Chief Compliance Officer, who has no personal interest in these companies, take independent responsibility for overseeing these positions. Additionally, Alexandra Global LV, Ltd. has retained an independent consultant to serve on the Boards of these companies.

Personal Investment Activities of Related Persons. OIM generally do not engage in any proprietary trading for their own accounts. Related persons (such as partners, officers and employees) of OIM may engage, from time to time, in personal trading of securities and other instruments, including securities and instruments in which the Funds may invest. In addition, such persons may make investments, including investments in, and financings, acquisitions and dispositions of, securities for their personal accounts, in each case without any obligation to offer investment opportunities to, or share income derived from these activities with, any of the Funds.

It is the expressed policy of our firm that no related person of OIM may purchase or sell any security (in accordance with firm’s Code of Ethics) prior to an anticipated transaction being implemented for a Fund, thereby preventing such person from benefiting from transactions placed on behalf of the Funds. Also, personal account orders are never aggregated with Fund account orders.

As these situations represent actual or potential conflicts of interest to our clients, we have established the following policies and procedures for implementing our firm’s Code of Ethics, to ensure our firm complies with its regulatory obligations and provides our clients and potential clients with full and fair disclosure of such conflicts of interest:

1. No related person may put his or her own interest above the interest of an advisory client.
2. No related person may buy or sell securities for his or her personal portfolio(s) where his or her

decision is a result of insider information received as a result of his or her employment unless the information is also available to the investing public.

3. No related person may purchase or sell any security prior to an anticipated transaction being implemented for an advisory client. This prevents such employees from benefiting from transactions placed on behalf of the Funds.
4. Our firm requires prior approval for any IPO or private placement investments by related persons.
5. We maintain a list of all reportable securities holdings for our firm and anyone that has access to advisory recommendations. Our firm's Compliance Officer or his/her designee reviews these holdings on a regular basis.
6. We have established procedures for the maintenance of all required books and records.
7. All of our related persons must act in accordance with all applicable Federal and State regulations governing registered investment advisory practices.
8. We require delivery and acknowledgement of the Code of Ethics by each supervised person of our firm.
9. We have established policies requiring the reporting of Code of Ethics violations to our senior management.

Persons who purchase interests in the Funds are provided with confidential offering documents which describe in detail the conflicts of interest peculiar to the Funds. See Item 4—Advisory Business, Item 5—Fees and Compensation, Item 6—Performance-Based Fees and Side-By-Side Management and Item 10—Other Financial Industry Activities and Affiliations of this Brochure for more information regarding conflicts of interest.

Item 12 Brokerage Practices

Selection of Brokers

In selecting brokers, OIM may weigh a combination of the following factors: the amount of commission, the reputation, experience and financial stability of the broker involved and the quality of service, including the availability of margin or other leverage, familiarity with the investment techniques employed by OIM's Funds, clearing capabilities, ability to execute trades, nature and frequency of sales coverage, depth of services provided, including economic or political coverage, arbitrage and option operations, back office and processing capabilities, financial stability and responsibility, and responsiveness to OIM. In addition, subject to its obligation to seek best execution, OIM may use brokers affiliated with certain investors in the Funds.

Soft Dollar Arrangements

The Funds may enter into arrangements with certain brokers where they may be deemed to be paying for research and brokerage services and other goods and services through "soft dollar" or commission dollars, an attributed portion of the total cost of certain principal transactions, or transaction expenses (e.g., transaction costs imposed by the prime broker). In exchange for the direction of commission dollars to such brokers, OIM may generate credits that may be used to pay for the Products and Services (defined below) provided by such brokers. To the extent OIM generate such credits, they will be receiving benefits by reason of the direction of commissions that OIM would otherwise have to produce or pay for. Further, in selecting brokers or dealers to execute transactions, OIM are not required to solicit competitive bids and do not have an obligation to seek the lowest available

commission cost. Accordingly, the Funds may pay commissions (or markups or markdowns) that are higher than those charged by other brokers or dealers who do not provide any soft dollar benefits. It is not OIM's practice to negotiate "execution only" commission rates; thus a Fund may be deemed to be paying for other Products and Services provided by the broker, which are included in the commission rate.

Section 28(e) of the Exchange Act provides a safe harbor that allows investment managers with discretionary authority over client accounts to pay more than the lowest possible commission in order to obtain "brokerage and research services" without breaching their fiduciary duties to clients. OIM seek to comply with the Section 28(e) safe harbor in connection with their soft dollar arrangements. In selecting brokers, OIM may consider the value of the following brokerage, research products and research-related services provided by the broker, or paid for by the broker (either by cash payments or by "soft dollars" or commissions) to be provided by others (collectively, "**Products and Services**"): brokerage, research and research products and services (described below), including attendance at research seminars (but not travel).

- *Research.* Research services within the Section 28(e) safe harbor generally include, among other things, advice, analyses, reports, publications and writings which furnish advice as to the value of securities, the advisability of investing in, purchasing or selling securities, and the availability of securities, as well as analyses and reports concerning issuers, industries, securities, economic factors and trends, portfolio strategy and the performance of accounts which OIM determines to constitute advice, analysis or reports. Research services may also include, among other things, market data such as stock quotes, last sale prices, trading volumes and financial and economic data, pre-trade and post-trade analytics, software and other products that depend on market information to generate market research (including research on optimal execution venues and trading strategies), raw data which OIM can use to prepare its own research analytics, conferences and seminars related to research discussions with research analysts, meetings with corporate executives to obtain oral reports on the performance of a company, publications targeted at a narrow audience, including, without limitation, publications which are directed to readers with specialized interests in particular products, industries or issuers, and software that provides analyses of securities portfolios. Research services may be in written, oral or electronic formats. Research services may be provided by third-parties or may be proprietary to a broker or dealer.
- *Brokerage.* Brokerage services that meet a "temporal standard" are eligible under the Section 28(e) safe harbor. Under the "temporal standard," brokerage begins *when* an investment manager communicates with a broker or dealer for the purpose of transmitting an order for execution and ends when funds or securities are delivered or credited to the advised client. Using this standard, the following items are, without limitation, examples of eligible brokerage services: clearance, settlement and custody services in connection with trades effected by the broker or dealer, post-trade services incidental to executing a transaction, comparison services that are required by the SEC or Self Regulatory Organization rules, such as the use of electronic confirmation and affirmation of institutional trades, communications services related to execution, clearing and settlement of securities transactions, trading software to route orders to market centers, software that provides algorithmic trading strategies and software used to transmit order to direct market access systems.

If an expense relates to "mixed-use" services or products that include functions that would generally qualify for soft dollar payment under OIM's policy stated above, as well as functions that OIM intends to use and that do not so qualify, OIM, as applicable, will seek to make a good faith allocation of the cost between qualifying and non-qualifying functions to determine the portion that may be paid with

soft dollars. The allocation process will attempt to take into account the principal functions or benefits of the services and products involved, but may not measure *de minimis* or occasional non-qualified usage. Consequently, it is possible that payments by a Fund relating to mixed-use services or products could inure to the benefit of OIM, but it is not expected that the amount of such payments would be material.

In connection with its soft dollar arrangements, OIM will make a good faith determination that the amount of commission is reasonable in relation to the value of the research received, viewed in terms of either the specific transaction or OIM's overall responsibility to the Fund. OIM periodically evaluate the selection of brokers and the reasonableness of commissions paid. However, soft dollar arrangements creates an incentive for OIM to select a broker or dealer based on their interest in receiving the research or other Products and Services, rather than on the Fund's interest in receiving the most favorable execution.

Products and Services obtained with soft dollar credits generated, or higher commission costs incurred, by one Fund may be used to service or for the benefit of other Funds.

Funds may be obligated to bear their *pro rata* share of research-related expenses and overhead expenses for OIM. As a result, any products and services not falling within Section 28(e) (and therefore not paid for with soft dollar credits) could be borne by the Funds as an expense under its advisory arrangements with OIM.

Capital Introduction

From time to time, brokers (including the prime brokers utilized by OIM) may provide "capital introduction" services events, which provide prospective investors the opportunity to meet with OIM and learn about the Funds. Currently, neither OIM nor the Funds compensate the prime brokers for organizing such events or for any investments ultimately made by prospective investors attending such events (although they may do so in the future). While such events and other services provided by a broker may be considered by OIM in deciding whether to use such prime broker in connection with brokerage, financing and other activities of the Funds, OIM will not commit to allocate a particular amount of brokerage to a broker in any such situation.

The practice of capital introduction may create a conflict of interest in that OIM may have an incentive to select a broker or dealer based on its interest in receiving client referrals, rather than on the Funds' interest in receiving the most favorable execution.

Aggregation of Orders

Fund orders may be aggregated under certain circumstances, and execution prices for identical securities purchased or sold on behalf of multiple accounts in any single business day may be averaged. The allocation of the executed portion of such trades, as well as the order in which trades are entered for all Fund accounts, is based upon a determination of fairness and suitability by OIM's investment personnel considering the individual factors involved in executing each investment idea, which may include Fund position sizes and cash balances, total trade size, market price, liquidity, access to trading venues, transaction costs, and logistical and operational elements.

Given the similar investment strategies of certain of the Funds, there may be occasions when the Funds will purchase (or sell) the same security. In such instances, orders placed for the Funds may be aggregated if it is determined by OIM that such aggregation is fair for all Fund accounts. Trades made for the Funds will be made in accordance with the applicable investment strategies and other factors thereof, including but not limited to, cash availability, liquidity of the security and certain risk

characteristics associated with the security. See also “Performance-Based Fees and Side-by-Side Management” (Item 6).

Item 13 Review of Accounts

OIM monitors Fund portfolios and risk associated with such portfolios on a daily basis. The risk management team is primarily responsible for monitoring the portfolio and internal risk limits and compliance with the investment guidelines of each Fund on a daily basis. The risk management team is currently composed of two members: Christian Picot, Chief Risk Officer, and an outsourced Risk Analyst consultant. The middle office staff may also assist in monitoring certain aspects of the Funds’ portfolios, including trade reviews and financing. In addition, the portfolio managers have daily responsibility for monitoring certain asset classes and sectors of a Fund’s portfolio. Additionally, a formal Investment Committee meets quarterly to evaluate the investment program and risk management process. Meetings will review and document any issues or changes to the risk management process.

OIM may provide investors in the Funds with monthly investor letters describing the applicable Fund’s performance and overall makeup of the portfolio. OIM will provide investors its annual privacy notice and audited financial statements within the required period depending on the Funds after the end of the relevant financial year. Additionally, investors in Odyssey PanAmerica Equity Fund LP are generally issued Schedule K-1s after the close of the fiscal year end. The Administrator for the funds also provides monthly account statements to all investors. OIM may also furnish such other reports or letters as deemed necessary and appropriate by the Board of Directors of the Funds.

Item 14 Client Referrals and Other Compensation

Other than the compensation described in Items 5 and 6 herein, OIM may receive an economic benefit from entities other than the Funds. Occasionally, OIM may enter into consulting agreements with parties other than its clients to provide investment banking advice. The time spent on such consulting agreements is not material in relation to its investment advisory business.

OIM has entered into arrangements with certain entities and individuals (referred to herein as “placement agents”) to solicit prospective investors to invest in the Funds. Such arrangements typically provide for the compensation of such placement agents for their services. A prospective investor solicited by a placement agent will be advised of the relevant arrangement and asked to acknowledge its understanding of any such arrangement.

Pursuant to these arrangements, OIM may agree to pay a percentage of the management fee and/or performance fee collected from the applicable Fund to the referring placement agent. The Funds under these arrangements will not be charged fees higher than the fees described in Item 5. (See Item 5 for discussion on fees and compensation.)

OIM may utilize the services of broker-dealers who execute transactions, provide financing and securities on loan, or hold cash or short balances to provide capital introduction, marketing assistance, consulting with respect to technology, operations, and equipment, commitment of capital, access to management, and access to deal flow. Neither OIM nor any Fund separately compensates any broker-dealer for any of these services. (See Item 12 for a discussion of brokerage practice and soft dollar arrangements.)

Item 15 Custody

OIM is considered to be a custodian because it serves as investment adviser to the Funds. The Funds and securities of the Funds are held by "qualified custodians" within the meaning of Rule 206(4)-2 under the Advisers Act, except for un-certificated non-transferable securities as described in Rule 206(4)-2(b)(2)(i).

Investors in the Funds receive account statements each month from the respective independent Funds' administrator. It is important for investors to carefully review their monthly statements. Clients should contact us directly if they believe that there may be an error in their statement.

In addition to the monthly statements that clients receive directly from the Administrator, OIM may also provide monthly investor letters. We urge our clients to carefully review and compare the information provided on these statements. (See Item 13 for more information regarding reports to clients.)

In addition, each Fund is be audited annually by an independent public accountant. For those Funds which have or may have U.S. investors, the auditor is registered with, and subject to regular inspection by, the Public Company Accounting Oversight Board, in compliance with Rule 206(4)-2(b)(4) under the Advisers Act. Financial statements are distributed to U.S. investors within 120 days of the fiscal year-end.

Item 16 Investment Discretion

Pursuant to investment management agreements, the Funds have engaged OIM to serve as Investment Adviser and provide discretionary investment advisory services. OIM has also been delegated investment management authority of Odyssey PanAmerica Equity Fund, LP by OIM GP, LLC, in its capacity as general partner, pursuant to the respective Limited Partnership Agreement. Under these agreements, OIM has been given broad authority to manage the affairs of the Funds including discretionary authority to manage the Funds' assets, subject to the overall supervision of the Board of Directors of each Fund. Accordingly, OIM has the authority to determine, without specific client consent, the securities to be bought and sold, the amount and timing of such purchases and sales, and the commission rates paid.

In all cases, the discretionary investment management of the Funds is exercised in a manner consistent with the stated investment objectives for the particular Funds. When selecting investments and determining amounts, OIM follows the investment objective and strategies as described in the applicable confidential offering documents.

Item 17 Voting Client Securities

OIM receives proxies from time to time with respect to the Funds' investments. OIM is authorized to vote proxies on behalf of the Funds pursuant to its investment management agreements.

In voting proxies, OIM is guided by general fiduciary principles. OIM's goal is to act prudently and solely in the best interest of its clients. OIM votes proxies in the manner that it believes is consistent with efforts to achieve a Fund's stated objectives, including maximizing the value of the Fund's portfolio. OIM follows procedures that are designed to identify conflicts or potential conflicts that could arise between its own interests and those of the Fund accounts. If it is determined that any such conflict or potential conflict is not material, OIM may vote proxies notwithstanding the conflict. If it is

determined, however, that a conflict of interest or potential conflict of interest is material, the Compliance Officer will work with appropriate personnel to agree upon a method to resolve such conflict before voting proxies affected by the conflict.

Our firm will retain all proxy voting books and records for the requisite period of time, including a copy of each proxy statement received, a record of each vote cast, a copy of any document created by us that was material to making a decision how to vote proxies, and a copy of each written investor request for information on how we voted proxies.

Investors may obtain a copy of our comprehensive proxy voting policies and procedures by contacting our firm by telephone at (212) 676-5630, by writing to us at 135 East 57th Street, 14th Floor, New York, NY, 10022, or by sending an email to us at compliance@oim.us.com. Investors may also request information on how proxies were voted. We will promptly provide such information to investors, free of charge.

Item 18 Financial Information

Under no circumstances do we require or solicit payment of fees in advance of services rendered. Therefore, we are not required to include a financial statement.

As an advisory firm that maintains discretionary authority for client accounts and is deemed to have custody of such accounts, we are required to disclose any financial condition that is reasonably likely to impair our ability to meet our contractual obligations. OIM has no additional financial circumstances to report.

OIM has never been the subject of a bankruptcy petition.