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



March 29, 2019

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PointState Capital LP  
40 West 57th Street  
25th Floor  
New York, New York 10019  
Tel: (212) 830-7000  
Fax: (212) 621-5700

*This brochure (this “Brochure”) provides information about the qualifications and business practices of PointState Capital LP. If you have questions about the contents of this Brochure, please contact us at (212) 830-7000 or [compliance@pointstate.com](mailto:compliance@pointstate.com). The information in this Brochure has not been approved or verified by the U.S. Securities and Exchange Commission (the “SEC”) or by any state securities authority.*

*Additional information about PointState Capital LP is also available on the SEC’s website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).*

**ITEM 2**  
**MATERIAL CHANGES**

PointState (as defined herein) filed its most recent annual amendment to Form ADV on March 29, 2018.

There have been no material changes to this brochure since the last annual amendment filed in March 2018.

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## **ITEM 4**

### **ADVISORY BUSINESS**

#### **A. General Description of Advisory Firm.**

PointState Capital LP, a Delaware, United States of America, limited partnership, commenced providing advisory services in January 2011 and is currently headquartered in New York, New York. PointState Capital GP LLC, a Delaware, United States of America, limited liability company (“PCGP”) is the general partner of PointState Capital LP. Zachary J. Schreiber is the Chairman, Chief Executive Officer and Chief Investment Officer of PointState Capital LP, the managing member of PCGP and of the General Partner Entities (as defined below) and a principal owner of PointState Capital LP. The principal owners of PointState Capital LP are Mr. Schreiber and Joshua D. Samuelson, its President.

#### **B. Description of Advisory Services.**

##### *I. Advisory Services.*

PointState Capital LP and its “Relying Adviser”, PointState Argentum LLC (collectively, “PointState”), serve as investment managers with discretionary trading authority to private investment funds, the securities of or interests in which are generally offered to investors on a private placement basis. PointState provides investment management services to private investment funds (each a “PointState Fund” and collectively the “PointState Funds”), the interests in which are privately offered to individuals and entities that are “accredited investors”, and, in the case of certain PointState Funds, “qualified eligible persons” and “qualified purchasers” under the federal securities and commodities laws. As at the date of this Brochure, PointState does not provide investment or management services to registered investment companies or directly to individuals.

The PointState Funds include (1) PointState Fund LP, a Delaware, United States of America, limited partnership (the “Domestic Fund”), (2) SteelMill Fund Ltd, a Cayman Islands exempted company (the “Offshore Fund”, which, together with the Domestic Fund, invests substantially all of its capital through SteelMill Master Fund LP, a Cayman Islands exempted limited partnership managed by PointState (the “Master Fund”), and, together with the Domestic Fund, the Offshore Fund and the Master Fund, the “Funds”), (3) PointBridge Fund LP, a Delaware, United States of America, limited partnership (“PointBridge Onshore”), (4) PointBridge Fund Ltd, a Cayman Islands exempted company (“PointBridge Offshore”), which, together with PointBridge Onshore, invests all of its investable capital through PointBridge Master Fund LP, a Cayman Islands exempted limited partnership managed by PointState (“PointBridge Master Fund” and, together with PointBridge Onshore and PointBridge Offshore, the “PointBridge Funds”); (5) PointArgentum Fund LP, a Delaware, United States of America, limited partnership (“PointArgentum Onshore”); and (6) PointArgentum Fund Ltd, a Cayman Islands exempted company (“PointArgentum Offshore”), which, together with PointArgentum Onshore, invests substantially all of its investable capital primarily through PointArgentum Master Fund LP, a Cayman Islands exempted limited partnership managed by PointState (“PointArgentum Master Fund” and, together with PointArgentum Onshore and PointArgentum Offshore, the “PointArgentum Funds”) and other subsidiaries and/or trading vehicles.

A Confidential Private Placement Memorandum (an “Offering Memorandum”) has been prepared for each PointState Fund (excluding each of the “Master Funds”) and provides information to prospective investors about such PointState Fund’s objectives, strategies, risks, structure, costs, withdrawal terms and other matters of importance to investors.

Each of the PointState Funds may invest through other entities, which may be managed by PointState or any of its affiliates, or by such other managers as PointState determines from time to time. Furthermore, each of the PointState Funds may co-invest with third parties through joint ventures or other entities.

Affiliates of PointState serve as the general partner of each PointState Funds (each such affiliate, a “General Partner Entity” and all such affiliates, the “General Partner Entities”).

As used in this Brochure, the term “client” generally refers to each of the PointState Funds.

*As a general matter, this Brochure includes information about PointState and its relationships with its clients and affiliates. While much of this Brochure applies to all such clients and affiliates, certain information included herein applies only to specific clients or affiliates.*

## 2. Investment Strategies and Types of Investments.

The Funds pursue multiple investment strategies, including, but not limited to: long/short equities, global macro, investing in commodity and commodity-related industries, high yield and distressed credit, event-driven/special situations investing, and relative value investing.

The PointBridge Funds pursue multiple investment strategies, including, but not limited to: macro, long/short equities, high yield and distressed credit, event-driven/special situations investing and relative value investing, while exposing themselves primarily to (i) Latin American public, private or governmental issuers and (ii) energy-producing regions of the world.

The PointBridge Funds consist of two classes of shares/interests: (i) one of which invests principally in Argentine Financial Instruments (as defined in Item 8 (Methods of Analysis, Investment Strategies and Risk of Loss) below) (including without limitation, sovereign and provincial debt issued by the Republic of Argentina, denominated in Argentinian pesos, U.S. dollars or foreign currencies and governed by the laws of the Republic of Argentina and its provinces, the U.S. or other foreign jurisdictions) and may also invest in other Financial Instruments (as defined below) issued by issuers within the U.S. and in other foreign jurisdictions, and (ii) the other of which invests in Financial Instruments designed to provide short/long exposure to certain “paired” currencies.

The PointArgentum Funds pursue multiple investment strategies, including, but not limited to: macro, long/short equities, high yield and distressed credit, event-driven/special situations investing, relative value investing and private investments. The PointArgentum Funds invest principally in Argentine Financial Instruments and may also invest in other Financial Instruments issued by issuers in other jurisdictions.

Please see Item 8 (Methods of Analysis, Investment Strategies and Risk of Loss) below for a more detailed description of the investment strategies pursued and types of investments made by the PointState Funds.

*The descriptions set forth in this Brochure of specific advisory services that PointState offers to clients, and investment strategies pursued and investments made by PointState on behalf of its clients, should not be understood to limit in any way PointState’s investment activities. PointState may offer any advisory services, engage in any investment strategy and make any investment, even if not described in this Brochure, that PointState considers appropriate, subject to each client’s investment objectives and guidelines. Not all of the strategies described in this Brochure may be used at the same time or in the same proportions and PointState may add, suspend, eliminate or modify investment strategies at its discretion.*

*The investment strategies PointState pursues are speculative and entail substantial risks. Investors should be prepared to bear a substantial loss of capital. There can be no assurance that the investment objectives of any client will be achieved.*

C. Availability of Customized Services for Individual Clients.

As a general matter, PointState does not tailor its advisory services to the needs of individual investors; rather, PointState's investment decisions and advice with respect to each PointState Fund are subject to each PointState Fund's investment objectives and guidelines, as set forth in such PointState Fund's Offering Memorandum and/or organizational documents.

D. Wrap Fee Programs.

PointState currently does not participate in any wrap fee programs.

E. Assets Under Management.

As of December 31, 2018, PointState had approximately \$10,745,863,000 of regulatory assets under management on a discretionary basis. As of December 31, 2018, PointState does not manage any assets on a non-discretionary basis.

Additional information about PointState's business, history, organization and other matters addressed in Item 4 (Advisory Business) can be found in the Offering Memorandum and/or organizational documents of the relevant PointState Fund.

*This Brochure does not constitute an offer to sell or solicitation of an offer to buy any securities. The securities of the PointState Funds are offered and sold on a private placement basis under exemptions from registration promulgated under the U.S. Securities Act of 1933, as amended (the "Securities Act"), and other exemptions of similar import under U.S. state securities laws and the securities laws of other jurisdictions where any offering may be made. Any such offer or solicitation will be made only by means of a confidential offering memorandum and related subscription materials.*

## ITEM 5 FEES AND COMPENSATION

### A. Advisory Fees and Compensation.

The fees applicable to each PointState Fund are set forth in detail in such PointState Fund's Offering Memorandum and/or organizational documents. A brief summary of such fees is provided below.

#### *Management Fees*

Generally, each PointState Fund pays PointState a monthly management fee, payable in arrears, at an annual rate of between 0.5% and 2.0% of their respective net asset values or, in the case of the PointArgentum Funds, of the capital contributions made by each investor which have not yet been returned to that investor (for this purpose, distributions will be deemed to have been made first from profits and/or appreciation and thereafter from capital contributions), as of the last day of such month (before any accrual for performance-based profit allocation). The management fee for the PointArgentum Funds successively reduces to zero over the 24-month period following the end of the "investment period" applicable to the PointArgentum Funds (which occurred on March 31, 2018) (the "Investment Period"). The management fee for each PointState Fund is generally prorated for any partial periods.

#### *Performance-based Fees*

In addition to the management fee described above, each PointState Fund is subject to a performance-based profit allocation or fee. Generally, at the end of each fiscal year of the Funds, the applicable General Partner Entity is entitled to a performance-based profit allocation in an amount equal to 20% of the net capital appreciation (which includes both realized gains and losses and unrealized appreciation and depreciation of Financial Instruments held in the applicable Fund's portfolio) allocated to a capital account for such fiscal year after deducting the management fee debited to such capital account for such fiscal year, subject to a loss carry forward mechanism. The PointBridge Funds are subject to similar performance-based profit allocations, which vary materially only in terms of the rate (including staggered rate) or frequency of such allocations.

The PointArgentum Funds' performance-based profit allocation (the "Carried Interest") is subject to a "hurdle" mechanism (the "Hurdle"), under which the applicable General Partner Entity will not be entitled to any Carried Interest until investors have received (i) their capital contribution, (ii) 4% of any portion of their capital contribution that was returned prior to the end of the Investment Period and (iii) 8% (compounding annually) on any portion of their capital contribution that was returned after the end of the Investment Period. Once these amounts are returned, the applicable General Partner Entity will be entitled to a "catch-up" to 20% of total profits and 20% of any additional profits thereafter.

PointState generally does not negotiate the management fees or performance-based compensation with investors in the PointState Funds; however, in the sole discretion of PointState (with respect to the management fees payable by the Funds), the applicable General Partner Entity (with respect to the performance allocation for the Domestic Fund, the Master Fund, PointBridge Onshore, PointBridge Master Fund, PointArgentum Onshore and PointArgentum Master Fund) and the applicable board of directors (with respect to the performance fee payable by the Offshore Fund, PointBridge Offshore and PointArgentum Offshore), the management fees and the performance-based compensation may be, and in some circumstances have been, waived, reduced or calculated differently with respect to certain investors, including investors that are affiliates, partners or employees (including former employees) of PointState.



B. Payment of Fees and Incentive Compensation.

Management fees and incentive compensation payable or allocable to PointState and its affiliates are generally deducted or allocated, as the case may be, directly from the assets of the applicable PointState Fund, and correspondingly from the capital accounts or net asset value of shares to which they pertain. Further information about the nature and timing of such compensation is provided in Section A (Advisory Fees and Compensation) above.

C. Additional Fees and Expenses.

While not all of the clients bear all of the expenses set forth below, to the extent permitted under the applicable Offering Memorandum and/or organizational documents, each client generally bears its own expenses, and, if applicable, its proportionate share of its respective master fund's expenses.

Expenses that the clients may bear include, but are not limited to, the following: the management fee; investment expenses (*e.g.*, expenses that, in PointState's discretion, are related to the investment of the client's assets, whether or not such investments are consummated, such as brokerage commissions, expenses relating to short sales, clearing and settlement charges, custodial fees, bank service fees and interest expense); professional fees (including expenses of consultants, investment bankers, attorneys, accountants and other experts) relating to investments; research and market data (including quotation and market data services (*e.g.*, Bloomberg, Reuters)); market data costs incurred by the middle-office and back-office service provider and specifically identified as applicable to the investment of the client's assets; administrative expenses (including fees and expenses of an administrator, if any, and administration expenses other than expenses relating to middle-office and back-office services which will be borne by PointState); expenses relating to the client's registered office and corporate services provider; legal expenses (which include, without limitation, responding to formal and informal inquiries, audit, examination, proceeding or claim expenses on behalf of or for the benefit of the client or in connection with its business); external accounting and valuation expenses; audit expenses and tax preparation expenses; remuneration of and insurance for members of the board of directors of the client, if applicable; costs of printing and mailing reports and notices; taxes; corporate licensing; regulatory expenses (including filing fees and expenses relating to filings made in connection with the clients' holdings or activities); organizational expenses; expenses incurred in connection with the offering and sale of the shares or interests in the client and other similar expenses related to the client; indemnification expenses; expenses incurred in connection with the organization and conduct of meetings of investors and a client's board of directors, if applicable; and extraordinary expenses.

For the avoidance of doubt, "similar expenses" refers to any expenses that are similar in type and nature to the expenses described in the previous paragraph, and is intended, given the dynamic ongoing nature of the business of the client, to cover any expenses determined by PointState to be primarily related to the categories listed above but not specifically enumerated. PointState considers that such similar expenses include, but are not limited to: (i) expenses relating to the formation, maintenance and winding up of the client, special purpose vehicles and/or trading vehicles formed to facilitate the client's investments and/or co-investment vehicles (including fees, costs and expenses incurred in connection with establishing co-investment vehicles in connection with proposed investments that are not consummated, to the extent not borne by such vehicles), any and all other expenses paid by the client with respect to potential co-investments that are not consummated (including any portion of such expenses that is not borne by co-investors), broken deal expenses, initial and variation margin, loan fees, private placement fees, appraisal fees, commitment fees and other transactional charges, fees or costs (all of which PointState considers investment expenses); (ii) all costs associated with the development and maintenance of portfolio management systems used to monitor and analyze portfolio risk, exposure and performance (all of which PointState considers investment expenses) (iii) expenses relating to research generated through the use of

third-party consultants, lobbyists and similar service providers, news and quotation equipment and services, portfolio risk management services and market information systems and computer software and information expenses (all of which PointState considers research and market data expenses); (iv) external accounting and valuation expenses, including expenses incurred by certain non-investment personnel, as determined appropriate by PointState; (v) expenses related to the maintenance of the client's registered office (which PointState considers administrative expenses); (vi) any judgments or settlements paid in connection with any formal and informal inquiries, audit, examination, proceeding or claim expenses on behalf of or for the benefit of the client or in connection with its business (which PointState considers legal expenses); (vii) expenses relating to Sections 1471 to 1474 of the U.S. Internal Revenue Code of 1986, any Treasury regulations promulgated thereunder or official administrative interpretations thereof and preparation costs of financial statements, tax returns and reports to investors and Schedule K-1s (which PointState considers audit and tax preparation expenses); (viii) entity-level taxes and governmental fees or other charges payable by or with respect to or levied against the client, its investments, or to Federal, state or other governmental agencies, U.S. or non-U.S., including real estate, stamp or other transfer taxes (all of which PointState considers tax expenses); (ix) expenses related to the preparation and filing of Form PF and other similar regulatory filings related to the client, PointState, any sub-advisor and any consultant and other blue sky, AIFMD (as defined below) and corporate filing fees and expenses (except for expenses relating to any compliance costs associated with registration as an investment adviser in the U.S., the preparation of Form ADV and membership with the National Futures Association ("NFA")) (all of which PointState considers regulatory expenses); (x) expenses related to the offering and sale of shares or interests in the client in compliance with the Directive 2011/61/EU of the European Parliament and the Council of 8 June 2011 on Alternative Investment Fund Managers ("AIFMD") (which PointState considers offering expenses); (xi) directors' and officers' liability or other similar insurance policies, errors and omissions insurance and other similar policies for the benefit of the client and all other costs and expenses arising out of client's indemnification obligations (which PointState considers indemnification expenses); and (xii) any and all fees, costs and expenses incurred in connection with any amendments, modifications, revisions or restatements to the constituent documents of the client, PointState, any special purpose entity and/or any co-investment vehicle and wind-up and liquidation expenses (all of which PointState considers organizational expenses and/or legal expenses).

Any description in the Offering Memorandum and/or organizational documents of the expenses that the PointState Funds may bear, as well as the description above, is not an exhaustive description. From time to time PointState will need to make certain determinations regarding whether certain expenses are a PointState Fund's "own" expenses and therefore are to be borne by such PointState Fund. These determinations will necessarily be subjective and may give rise to conflicts between the interests of the investors in the applicable PointState Fund and the interests of PointState, the General Partner Entities, their respective affiliates and subsidiaries and any of their respective members, officers, directors, partners or employees (collectively, the "PointState Group"), who might otherwise bear such expenses. PointState may, in its sole discretion, allocate certain expenses among the PointState Funds and any Other Accounts (as defined below) to which such expenses relate in any manner it determines is fair and reasonable. From time to time, PointState may decide to absorb certain expenses that may have been properly borne by a client. Any such decision will not bind PointState to continue doing so in the future.

Further information about the brokerage practices and costs is provided in Item 12 (Brokerage Practices) below.

Specific expenses applicable to each client are set forth in such client's Offering Memorandum and/or organizational documents.

D. Prepayment of Fees.

The PointState Funds do not pay fees in advance. See Section A (Advisory Fees and Compensation) above for a description of the payment terms of the fees for the PointState Funds.

E. Additional Compensation and Conflicts of Interest.

Neither PointState nor any of its supervised persons accepts compensation (e.g., brokerage commissions) for the sale of Financial Instruments or other investment products.

## **ITEM 6**

### **PERFORMANCE-BASED FEES AND SIDE-BY-SIDE MANAGEMENT**

As described in Item 5 (Fees and Compensation) above, PointState's clients allocate, pay and/or distribute (as applicable) a performance-based profit allocation, incentive fee or carried interest to PointState or its affiliates. Side-by-side management of PointState's clients may create conflicts of interest such that in certain circumstances, PointState may have an incentive to favor one client over another with regard to allocation of investment opportunities.

"Proprietary" capital (investments by members of the PointState Group) will not necessarily be allocated to all PointState Funds, will not necessarily be allocated based on the respective net asset values of such funds, may be more concentrated in certain of such funds, and may be "shifted" among such funds from time to time without providing any notice to investors. Such investments may create an incentive for the PointState Group to favor certain PointState Funds over others. To mitigate such conflicts, PointState has adopted aggregation and allocation policies and procedures to provide for fair and equitable allocation of investments and trades among the PointState Funds. PointState has discretion in making allocation decisions among the PointState Funds and takes into account such factors that it determines, in its sole discretion, to be relevant, which include but are not limited to the PointState Funds' different investment strategies, structures, terms of offerings and other relevant investment factors consistent with PointState's business model. As a general rule, allocations among PointState Funds with the same or similar investment objective are made *pro rata* based upon the size of each eligible PointState Fund.

As described in Item 5 (Fees and Compensation) above, the applicable General Partner Entity (with respect to the performance allocation payable by the Domestic Fund, the Master Fund, PointBridge Onshore, PointBridge Master Fund, PointArgentum Onshore and PointArgentum Master Fund) and the applicable board of directors (with respect to the performance fee payable by the Offshore Fund, PointBridge Offshore and PointArgentum Offshore) may elect to reduce, waive or calculate differently the performance-based compensation with respect to certain investors, including investors that are affiliates, partners, or employees (including former employees) of PointState. In cases where a client's investors consist solely of employees or former employees of PointState or the other PointState Funds, the entire performance allocation for such client may be waived.

The performance-based compensation may create an incentive for PointState or its affiliates to make investments that are riskier or more speculative than would be the case if such compensation arrangement were not in effect. With respect to certain clients, the performance-based compensation is calculated by taking into account unrealized gains. Since the performance-based compensation for certain clients (other than the PointArgentum Funds) is determined in relation to the net asset value of such clients (such net asset value to be determined by such client's administrator), PointState may be biased when reviewing valuations of the net asset value of such clients. PointState reviews such valuations in accordance with its valuation policy.

In addition, the PointState Group may be subject to a conflict of interest relating to the varying compensation arrangements (including fee rates) among the PointState Funds. These and other differences could cause one or more PointState Funds to be less profitable to the PointState Group than other clients, and therefore could incentivize the PointState Group to favor one client over another.

Furthermore, the PointState Funds have and may in the future co-invest with third parties through joint ventures or other entities. The PointState Group may (or may not), in its discretion, charge carried interest, incentive allocation, management fees, transaction fees or other similar fees to co-investors and the PointState Group may make an investment, or otherwise participate, in any vehicle formed to structure a co-investment to facilitate, among other things, receipt of such carried interest, incentive allocation,

management fees, transaction fees or other similar fees. In those circumstances where the co-investors involve a management group, such co-investors may enter into compensation arrangements relating to such investments, including incentive compensation arrangements. Such compensation arrangements will reduce the returns to participants in the investments and create potential conflicts of interest between such parties and the PointState Funds. Based on the compensation structure or composition of investors participating in such co-investment opportunities, the PointState Group may be biased when determining the capacity of the PointState Funds with respect to certain investments.

## **ITEM 7**

### **TYPES OF CLIENTS**

PointState provides discretionary investment advisory services, including, but not limited to, managing and directing the investment and reinvestment of assets for private investment funds, and has provided these services to a discretionary separately managed account. PointState reserves the right to provide investment advisory services to other types of clients. For instance, PointState may elect to establish discretionary separately managed accounts, single-investor funds or co-investment vehicles, one or more of which may use trading and/or investment strategies different than the existing PointState Funds and/or be subject to different terms and arrangements (including fees, liquidity rights and transparency rights) than the existing PointState Funds.

Investors in the PointState Funds consist primarily of charitable foundations, institutions, endowments, funds of funds, private or family-owned investment entities, trusts and high net-worth individuals. In order to invest, investors in the PointState Funds must meet certain qualification requirements under applicable federal securities and commodities laws as set forth in each PointState Fund's Offering Memorandum and/or constituent documents. The minimum investment in the PointState Funds varies from fund to fund and ranges from no minimum investment to \$1,000,000. Minimum investment amounts are waived by the PointState Funds in certain circumstances and are generally not applied to certain investors who are PointState employees, affiliates, family members and similar parties. Additional information about qualifications for investment in the PointState Funds addressed in Item 7 (Types of Clients) can be found in the Offering Memorandum and constituent documents of the relevant PointState Fund.

## ITEM 8

### METHODS OF ANALYSIS, INVESTMENT STRATEGIES AND RISK OF LOSS

#### A. Methods of Analysis and Investment Strategies.

*The descriptions set forth in this Brochure of specific advisory services that PointState offers to clients and investment strategies pursued and investments made by PointState on behalf of its clients, should not be understood to limit in any way PointState's investment activities. PointState may offer any advisory services, engage in any investment strategy and make any investment, including an investment not described in this Brochure, that PointState considers appropriate, subject to each client's investment objectives and guidelines. Not all of the strategies described in this Brochure may be used at the same time or in the same proportions and PointState may add, suspend, eliminate or modify investment strategies at its discretion. The investment strategies PointState pursues are speculative and entail substantial risks. Investors should be prepared to bear a substantial loss of capital. There can be no assurance that the investment objectives of any client will be achieved.*

##### 1. Investment Strategy of the Funds.

The Funds' principal investment objective is to achieve superior capital appreciation. The Funds attempt to achieve their investment objectives by pursuing multiple investment strategies including, but not limited to: long/short equities, global macro, investing in commodity and commodity-related industries, high yield and distressed credit, event-driven/special situations investing, and relative value investing.

In carrying out their investment programs, the Funds generally invest globally in interests commonly referred to as securities, other financial instruments of U.S. and non-U.S. entities and other assets, whether traded on an organized exchange, through "pink sheets," over-the-counter or otherwise, including capital stock; shares of beneficial interest; partnership interests and similar financial instruments; interests in real estate and real estate-related assets; bonds, notes and debentures (whether subordinated, convertible or otherwise); currencies; commodities; physical and intangible assets; interest rate, currency, commodity, equity and other derivative products, including (i) futures contracts (and options thereon) relating to stock indices, currencies, U.S. government securities and securities of non-U.S. governments, other financial instruments and all other commodities; (ii) swaps, options, swaptions, warrants, caps, collars, floors and forward rate agreements; (iii) spot and forward currency transactions; and (iv) agreements relating to or securing such transactions; mortgage-backed obligations issued or collateralized by U.S. federal agencies (including fixed rate pass-throughs, adjustable rate mortgages, collateralized mortgage obligations, stripped mortgage-backed securities and REMICs); repurchase and reverse repurchase agreements; equipment lease certificates; equipment trust certificates; loans; structured finance instruments; accounts and notes receivable and payable held by trade or other creditors; trade acceptances; contract and other claims; executory contracts; participations; mutual funds, exchange traded funds and similar financial instruments; money market funds; portfolio funds; obligations of the U.S. or any non-U.S. government, or any country, state, governmental agency or political subdivision thereof; 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 that exist now or are hereafter created; in each case, of any natural person, partnership, limited liability company, corporation, unincorporated association, joint venture, trust, state or any other entity or any governmental agency or political subdivision thereof, whether or not publicly-traded or readily marketable, (collectively, "Financial Instruments"). Certain of the Financial Instruments in which the Funds may invest may be unlisted, thinly-traded, illiquid and/or privately-placed.

The Funds may co-invest through third parties, through joint ventures or otherwise.

PointState may allocate up to 10% of the Funds' assets to other money managers (each, a "Money Manager") not affiliated or associated with PointState (determined as of the time of such allocation). PointState, and not the Funds, will pay the fees of any other Money Manager, or waive the fees owed to it by a corresponding amount.

Any excess funds will generally be invested in money market instruments or such other liquid investments deemed appropriate by PointState. Any income earned from such investments will be reinvested by the Funds in accordance with their investment program.

The Funds regularly use a high degree of leverage including, without limitation, derivative instruments with inherent leverage, trading on margin and repurchase agreements. In addition, some of the Financial Instruments held by the Funds may themselves have leverage embedded in them. There is no restriction on the amount of leverage that the Funds may utilize.

**Notwithstanding anything to the contrary in this Brochure, there are no limitations on the strategies that the Funds may pursue or the markets or types of instruments in which the Funds may invest. The Funds are not subject to formal diversification or concentration limits, nor to any limitations on position size or leverage, other than certain position limits that may be imposed by regulatory agencies that are generally applicable to market participants. The Funds may pursue investment strategies not described in this Brochure to the extent PointState, in its sole discretion, considers appropriate.**

Certain of the strategies that PointState may pursue to achieve the Funds' investment objectives are described below. Not all of these strategies are necessarily pursued at the same time or in the same proportions. Over time, PointState may develop and implement additional investment strategies. PointState may add, suspend, eliminate or modify investment strategies at its discretion and may reallocate the Funds' assets among different investment strategies at any time.

As of the date of this Brochure, PointState pursues, or expects to pursue, a combination of one or more of the strategies listed below. The following describes the characteristics of each identified strategy on a stand-alone basis, but should be read with the understanding that PointState endeavors to pursue its strategies in an integrated and coordinated fashion. For example, while opportunities relating to individual companies or sectors are most often expressed through long or short exposure to equities or corporate debt, the analysis performed in connection with such investments may also inform PointState's global macro investment strategy. Likewise, the global macro research and investment process often inform PointState's views and analysis on particular companies and sectors.

In accordance with the above, PointState has broad and unfettered investment discretion and may pursue trades in any type of Financial Instrument, issuer or group of related issuers that it believes will further the Funds' investment objectives.

**(a) Long/Short Equities.**

The Funds invest globally in long and short public equity securities of companies engaged in industries including, but not limited to, healthcare, industrials, consumer/retail, technology, media, telecommunication, real estate and financial services, as well as equity derivative instruments that create exposure to any (or all) of the foregoing. When evaluating long and short equity investments PointState utilizes a fundamental analysis of each company with a subjective overlay as to the relative strength of its management, products, balance sheet and growth prospects versus its immediate competition. PointState also seeks to determine, on a timely basis, catalytic events that differentiate one company from its peer group with respect to its profitability and market valuation. PointState further incorporates determinations



regarding political, regulatory and economic risks associated with a company's industry and applicable local markets to arrive at an investment decision.

PointState's long/short strategies include relative value and event- driven / special situation investments. (See "Material, Significant or Unusual Risks Related to Investment Strategies" below.)

PointState intends dynamically to size and scale its long and short equity investments based on its continuing fundamental analysis, current level of conviction, the likely timing of realization, and current market conditions applicable to each industry and specific underlying investment.

**(b) Global Macro.**

Global macro investing consists of trading in global fixed income, currency and equity markets in order to exploit fundamental, economic, financial and political imbalances that may exist in and between markets throughout the world. PointState believes that imbalances in financial markets are created from time to time by the influence of economic, political, regulatory, capital flow and sentiment factors. PointState also incorporates liquidity, technical and valuation analyses into its global macro investment decisions.

PointState intends dynamically to size and scale its global macro investments based on its continuing fundamental and technical analysis, current level of conviction, the likely timing of realization and current market conditions applicable to each economy, market segment, asset class and individual investment.

As explained below, components of the global macro strategy include global fixed income, currencies, indices, liquidity, technical and valuation analyses.

- *Global Fixed Income*

In analyzing an investment in bonds and other fixed-income instruments, PointState studies the economic outlook in the particular market and country, the anticipated policies of the relevant central banking authority, inflation expectations, yield curve shape and the level of real interest rates. Macro fixed-income investing is generally more aggressive than that of equity investing because of the lower margin requirements for bonds and other fixed income instruments and the generally superior liquidity of such markets. In connection with fixed-income investments, PointState enters into repurchase or reverse repurchase agreements, as appropriate.

PointState establishes long or short positions in fixed-income instruments or related derivatives having maturities that may range from one month to thirty years and beyond. At times, the Funds have had and may in the future have solely long or short positions which have a specific maturity, such as one month, one year, thirty years, etc., while at other times the Funds have had and may in the future have long or short positions in instruments of various maturities.

- *Currencies*

Foreign currency trading is utilized both to exploit currency trends and to manage the currency risk associated with positions in foreign investments. When attempting to exploit currency trends, PointState may seek to purchase currencies of countries where interest rates are anticipated to rise and fiscal policy is anticipated to expand. PointState may seek to sell currencies where monetary policy is anticipated to ease and fiscal policy is anticipated to contract. Currency investing primarily involves the study of divergent monetary and fiscal policies in two countries and their expected impacts on interest rate differentials in such

countries. This process includes an analysis of the economic outlook and future central bank and fiscal policy in those countries. PointState may also consider other factors that affect capital flows such as political developments, trade, foreign direct investment, purchasing power parity and relative valuation of various financial markets.

- *Stock Market Indices*

PointState has invested and may in the future invest the Funds' assets in exchange traded funds ("ETFs") of various stock indices and in derivative investments that include purchasing and selling futures contracts and related options on stock indices. In comparison to equities, ETFs and equity index derivatives provide greater leverage for the same amount of capital and may offer better liquidity.

- *Liquidity, Technical and Valuation Analyses*

PointState also incorporates liquidity, technical and valuation analyses into its global macro investment decisions.

- Liquidity analysis involves the availability of capital and the expected capital flow to financial markets.
- Technical analysis is the study of supply and demand for global fixed income, commodity, currency and equity markets.
- Valuation analysis includes, but is not limited to, the study of historical equity market valuations as measured by dividend yields and price-to-book and price-to-earnings ratios.

**(c) Commodities and Commodity-Related Industries.**

A primary focus of the Funds includes investment activities in publicly-traded equity and debt securities of companies relating to the commodity and commodity-related industries, which include, but are not limited to, energy, power, materials, agriculture, metals, industrials, transportation and associated markets, as well as derivative instruments that create exposure to any (or all) of the foregoing. The Funds commodity-related investing also includes cash commodities and futures, forward, option and swap contracts as described further below.

PointState intends dynamically to size and scale its commodity and commodity-related investments based on its continuing fundamental analysis, current level of conviction, the likely timing of realization and current market conditions applicable to each commodity segment, related sub-industry and specific underlying investment.

- *Commodities*

When evaluating commodity and commodity-related investments PointState undertakes a fundamental analysis that considers the multiple variables that determine the end price of a commodity, including, but not limited to, (i) the available supply or projection of forward supply of the commodity via primary production, inventory and incentive pricing, (ii) the cost or marginal cost of extracting or harvesting, transporting, processing and distributing such commodity, (iii) the current and projected demand for the commodity based on relative and absolute price levels and global economic factors and (iv) technical and macroeconomic influences. Based on factors including, but not limited to, liquidity, portfolio concentration and potential return relative to accompanying risk profile, PointState attempts to determine the most efficient way to implement its investment thesis and to manage risk in respect of a particular

commodity or commodity-related investment. PointState may, therefore, utilize the conclusions of its analysis to invest directly in the commodity itself via cash commodities, swaps, futures and options, to invest in the Financial Instruments related to companies whose businesses relate to such commodity, or to invest in other Financial Instruments or derivative instruments whose prices are influenced by or related to movements in the commodity.

- *Commodity-Related Equities*

When evaluating equity investments in commodity-related industries, PointState utilizes a fundamental analysis of the relevant issuer(s) with a subjective overlay as to the relative strength of its management, assets, balance sheet and growth prospects versus its immediate competition. PointState also seeks to determine, on a timely basis, catalytic events that differentiate one company from its peer group with respect to its profitability and market valuation. PointState further incorporates determinations regarding political, regulatory and economic risks associated with applicable local markets to arrive at an investment decision.

Issuers in commodity-related industries often share the common characteristic that their products generally cannot be differentiated or tiered within their industry group, and those products, in turn, must be sold at similar prices in global markets, allowing for local variables such as delivery costs. Accordingly, the market prices of Financial Instruments related to these companies are highly influenced by the price of the commodity or product they supply. Relative valuations of these companies over the medium to long term are driven primarily by their relative efficiencies in supplying, processing and distributing commodities. In low commodity price environments, higher-cost producers are generally less profitable, have lower returns on equity and ultimately are marginalized. However, in high commodity price environments higher-cost producers may benefit disproportionately from higher price leverage. In low and stable commodity price environments, lower-cost producers are generally more profitable, have higher returns on equity and often are able to add capacity at attractive prices and acquire market share.

**(d) High Yield and Distressed Credit.**

The Funds invest in high yield bonds and bank loans (secondary loan investing), investment grade credits and sovereign credits that trade at high yield or distressed levels, trade claims, equity securities and other indebtedness of financially distressed and/or highly leveraged companies and other entities. The Funds may also from time to time originate or engage in select direct lending and/or make direct investments that may include, without limitation, production payment transactions and other similar arrangements. Companies and securities that PointState considers “distressed” typically include those that are distressed, stressed and out-of-favor such as: those facing operating difficulties; those undergoing or considered likely to undergo reorganization under the U.S. federal bankruptcy law or similar laws in other countries; those which may or have been engaged in other extraordinary transactions, such as debt restructuring, reorganization and liquidation outside of bankruptcy; those facing a broad range of liquidity and other financial issues; and those with limited Wall Street research coverage or otherwise not presently recommended by such analysts.

**(e) Event-Driven/Special Situations**

The Funds invest in loans and securities of companies involved in reorganizations, mergers, acquisitions, bankruptcies, binary biotechnology events or other extraordinary corporate events/transactions, with the intention of capturing a spread between the current value of the securities and their value upon consummation of the event within a specified period of time. The Funds also make special situation or relative value investments, seeking to exploit fundamental valuation discrepancies caused by market dislocations, lack of Wall Street research coverage or expected corporate events. In such situations,

PointState may (1) position the portfolio from both the long and the short side, (2) actively trade such positions and related spreads and (3) use leverage and derivatives to optimize returns.

**(f) Relative Value Strategies**

In its relative value strategies, PointState generally purchases and sells short debt and equities based upon in-depth fundamental company research and industry analysis; such strategies generally focus on the utility, power, financial and healthcare industries. PointState intends to seek to profit from the relative out-performance of this portfolio rather than by predicting the direction of the respective markets or the specific sectors.

The Funds from time to time invest in convertible securities with a concentration in publicly-traded instruments issued by U.S. corporations. This strategy typically involves the purchase of convertible bonds, convertible preferred stock, warrants or options and the simultaneous short sale of the underlying common stock. The Funds seek to profit from these positions by receiving interest, dividends and rebates on short stock and also by dynamically trading the positions to monetize the embedded option value in the convertible securities and volatility spreads. Investments are initiated and actively managed based upon the PointState's fundamental and technical analysis of the issuers, the relevant securities and related derivative instruments.

*The Funds will not necessarily be managed in a tax-efficient manner. The Funds' investment programs are speculative and entail substantial risks. There can be no assurance that the investment objective of the Funds will be achieved and results may vary substantially over time. In fact, the practices of investing in illiquid investments and the use of short sales, options, leverage, futures, swaps and other derivative instruments and other investment techniques that the Funds employ can maximize the adverse impact to which the Funds' portfolio may be subject.*

**2. Investment Strategy of the PointBridge Funds**

The PointBridge Funds pursue multiple investment strategies, including, but not limited to: macro, long/short equities, high yield and distressed credit, event-driven/special situations investing and relative value investing, while exposing themselves primarily to (i) Latin American public, private or governmental issuers in the case of Class A shares/interests ("Class A") and (ii) energy-producing regions of the world in the case of Class B shares/interests ("Class B"). Additional information relating to the Financial Instruments employed and the investment strategies pursued is set forth under "*1. Investment Strategy of the Funds*" above.

Class A invests principally in Argentine Financial Instruments (including without limitation, sovereign and provincial debt issued by the Republic of Argentina, denominated in Argentinian pesos, U.S. dollars or foreign currencies and governed by the laws of the Republic of Argentina, the U.S. or other foreign jurisdictions) and may also invest in other Financial Instruments issued by issuers within the U.S. and in other foreign jurisdictions.

Class B primarily invests its capital in Financial Instruments designed to provide short/long exposure to certain "paired" currencies.

*The PointBridge Funds will not necessarily be managed in a tax-efficient manner. The PointBridge Funds' investment programs are speculative and entail substantial risks. There can be no assurance that the investment objective of the PointBridge Funds will be achieved and results may vary substantially over*

*time. In fact, the practices of investing in illiquid investments and the use of short sales, options, leverage, futures, swaps and other derivative instruments and other investment techniques that the PointBridge Funds employ can maximize the adverse impact to which the PointBridge Funds' portfolio may be subject.*

### 3. Investment Strategy of the PointArgentum Funds

The PointArgentum Funds pursue multiple investment strategies, including, but not limited to: macro, long/short equities, high yield and distressed credit, event-driven/special situations investing, relative value investing and private investments. Additional information relating to the Financial Instruments employed and the investment strategies pursued is set forth under “1. Investment Strategy of the Funds” above.

The PointArgentum Funds invest principally in Argentine Financial Instruments, while maintaining the flexibility to invest in other Financial Instruments issued by issuers in other jurisdictions.

*The PointArgentum Funds will not necessarily be managed in a tax-efficient manner. The PointArgentum Funds' investment programs are speculative and entail substantial risks. There can be no assurance that the investment objective of the PointArgentum Funds will be achieved, and results may vary substantially over time. In fact, the practices of investing in illiquid investments and the use of short sales, options, leverage, futures, swaps and other derivative instruments and other investment techniques that the PointArgentum Funds are likely to employ from time to time can maximize the adverse impact to which the PointArgentum Funds' portfolio may be subject.*

#### B. Material, Significant or Unusual Risks Relating to Investment Strategies.

*PointState's investment program is speculative and may entail substantial risks. Since market risks are inherent in all investments to varying degrees, there can be no assurance that our investment objectives will be achieved. In fact, certain investment practices described above can, in some circumstances, potentially increase the adverse impact on the PointState Funds' investment portfolios. The material risks presented by the strategies pursued by PointState are set forth below. Additional information is contained in the Offering Memorandum related to each PointState Fund (if any). This Brochure does not purport to contain a complete disclosure of all risks that may be relevant to prospective investors in the PointState Funds. These risk factors include only those risks that PointState believes to be material, significant or unusual and relate to particular significant investment strategies or methods of analysis employed by PointState.*

#### 1. Risks Relating to the Funds.

Loss of Investment. Investments are exposed to the risk of the loss of capital. The prices of the Financial Instruments in which the Funds invest are often volatile and market movements as they relate to such Financial Instruments are difficult to predict. No guarantee or representation is made that the Funds' investment strategy will be successful. In addition, the Funds utilize and are expected to continue utilizing investment techniques such as leverage, short sales, securities lending, investments in non-marketable securities, uncovered option transactions, forward transactions, futures and options on futures transactions, foreign currency transactions and a highly concentrated portfolio with respect to the Financial Instruments, among others, which could under certain circumstances magnify the impact of any adverse market or investment developments.

An investment in the Funds should not in itself be considered a balanced investment program, but rather is intended to provide diversification in a more complete investment portfolio. Investors should be able to withstand the loss of their entire investment, as there can be no assurance that the investments made

by the Funds will increase in value or that the Funds will not incur significant losses. An investor may lose all of its investment in the Funds.

Flexible Investment Approach. PointState has broad and unfettered investment authority and may trade in any type of security, issuer or group of related issuers, country, region and sector that it believes will help the Funds achieve their investment objectives. Additionally, the strategies that PointState may pursue for the Funds are not limited to the strategies described in this Brochure; furthermore, such strategies may change and evolve materially over time. PointState has broad latitude with respect to the management of the Funds' risk parameters. The Funds are subject neither to formal diversification policies limiting the Funds' portfolio investments nor to formal leverage policies limiting the leverage to be used by the Funds. PointState will opportunistically implement whatever strategies, risk management techniques and discretionary approaches, as well as such other investment tactics, it believes from time to time may be suited to prevailing market conditions and may reallocate the Funds' assets among strategies at any time and without notice to investors. PointState may use such leverage, position size, duration and other portfolio management techniques as it believes are appropriate for the Funds. Any of these new or different investment strategies, techniques, discretionary approaches and investment tactics may not be tested before being employed and may have operational or other shortcomings which could result in unsuccessful investments and, ultimately, losses to the Funds. In addition, any new or different investment strategy, technique and tactic developed by the Funds may be more speculative than earlier investment strategies, techniques and tactics and may involve material and as-yet-unanticipated risks that could increase the risk of an investment in the Fund. There can be no assurance that PointState will be successful in applying its approach and there is material risk that an investor may suffer significant impairment or total loss of its capital.

Stagnant Markets and Deflation. Although volatility is one indication of market risk, certain of the investment strategies employed by PointState rely for their profitability on market volatility contributing to the mispricings that they are designed to identify. In periods of trendless, stagnant markets and/or deflation, such alternative investment strategies have materially diminished prospects for profitability.

Hedging Transactions. The Funds are not required to hedge any particular risk in connection with a particular investment or their portfolio generally and may elect to not hedge their risks at all. For example, the Funds may elect to not hedge against fluctuations in the value of the Funds' portfolio positions as a result of changes in market interest rates or any other developments. While the Funds may enter into hedging transactions to seek to manage risk, such transactions may result in a poorer overall performance for the Funds than if they had not engaged in any such hedging transaction. Moreover, the Funds may not anticipate a particular risk so as to hedge against it and the portfolio will always be exposed to certain risks that may not be hedged.

Global Macro Strategy. The Funds' global macro investing will primarily consist of investing in global fixed income, currency and equity markets and their related derivatives in order to exploit fundamental, economic, financial and political imbalances that may exist in and between markets throughout the world. The success of PointState's global macro investing depends on PointState's ability to identify and exploit such perceived imbalances. Identification and exploitation of such imbalances involve significant uncertainties. In the event that the theses underlying the Funds' positions fail to be borne out in developments expected by PointState, the Funds may incur losses, which could be substantial.

Non-U.S. Investments. The Funds may invest a portion of their capital outside the U.S. in non-dollar denominated securities and instruments, including in securities and instruments issued by non-U.S. companies and the governments of non-U.S. countries and in non-U.S. currencies. These investments involve special risks not usually associated with investing in securities of U.S. companies or the U.S. federal, state or local government. Because investments in Financial Instruments issued by or referring to

non-U.S. issuers may involve non-U.S. dollar currencies and because the Funds may temporarily hold funds in bank deposits in such currencies during the completion of their investment programs, the Funds may be affected favorably or unfavorably by changes in currency rates (including as a result of the devaluation of a non-U.S. currency) and in exchange control regulations and may incur transaction costs in connection with conversions between various currencies. In addition, because non-U.S. entities are not subject to uniform accounting, auditing, and financial reporting standards, practices and requirements comparable with those applicable to U.S. entities, there may be different types, and lower quality, of information available about the issuer of any Financial Instruments than those of a U.S. company or government issuer. There is also less regulation, generally, of the securities markets in non-U.S. countries than there is in the U.S. Some non-U.S. securities markets have a higher potential for price volatility and relative illiquidity compared to the U.S. securities and capital markets. With respect to certain countries, especially in the context of Sovereign Debt (as defined below), there may be the possibility of expropriation or confiscatory taxation, political, economic or social instability, limitation on the removal of funds or other assets or the repatriation of profits, restrictions on investment opportunities, the imposition of trading controls, withholding or other taxes on interest, dividends, capital gain, other income or gross sales proceeds, import duties or other protectionist measures, various laws enacted for the protection of creditors, greater risks of nationalization or diplomatic developments which could adversely affect the Funds' investments in those countries and the possibility of economic sanctions being imposed by the U.S. or foreign governments. Greater tax risks and complexities may also be associated with these investments. In some instances, national governments may issue a new currency to replace an existing currency or alter the exchange rate by devaluation or revaluation of a currency. All of these types of governmental actions could affect the yield of any credit instruments denominated in a currency other than the U.S. dollar. The Funds will invest in Financial Instruments substantially similar to those invested in by Class B; therefore, the risks applicable to Class B as described in Item 8 (Methods of Analysis, Investment Strategies and Risk of Loss) are also applicable to the Funds.

Long/Short Investment Strategies. The identification of investment opportunities in the implementation of the Funds' long/short investment strategies is a difficult task and there are no assurances that such opportunities will be successfully identified or realized. In the event that the perceived opportunities underlying the Funds' positions were to fail to converge toward, or were to diverge further from values expected by PointState, the Funds may incur a loss. In the event of market disruptions, the Funds could be forced to close out one or more positions at unfavorable prices, thereby incurring significant losses. Furthermore, the models and analytics used to determine whether an investment presents an attractive opportunity consistent with PointState's long/short strategies may become outdated and inaccurate as market conditions change.

Short Sales. Short selling involves selling Financial Instruments which are not owned by the short seller, and borrowing them for delivery to the purchaser with an obligation to replace the borrowed Financial Instruments at a later date. Short selling also refers to other instances in which a party engages in trading aimed to benefit from negative price movements (such as in the case of a "buyer" of a credit default swap). Short selling allows the seller to profit from a decline in market price to the extent such decline exceeds the transaction costs and, in the case of a Financial Instrument short sale, the costs of borrowing the Financial Instruments. The extent to which the Funds engage in short sales will depend upon PointState's investment strategy and opportunities. A short sale creates the risk of a theoretically unlimited loss, in that the price of the underlying Financial Instrument could theoretically increase without limit, thus increasing the cost to the Funds of buying those Financial Instruments to cover the short position. There can be no assurance that the Funds will be able to maintain the ability to borrow Financial Instruments sold short. In such cases, the Funds may be forced to repurchase Financial Instruments in the open market to return to the lender. There also can be no assurance that the Financial Instruments necessary to cover a short position will be available for purchase at or near prices quoted in the market. Purchasing Financial

Instruments to close out a short position can itself cause the price of the Financial Instruments to rise further, thereby exacerbating the loss.

Event-Driven Investing. Event-driven investing requires the investor to make predictions about (i) the likelihood that an event will occur and (ii) the impact such event will have on the value of a company's Financial Instruments. If the event fails to occur or it does not have the predicted effect, losses can result. Because of the inherently speculative nature of event-driven investing, the results of the Funds' operations may be expected to fluctuate from period to period. Accordingly, the results of a particular period will not necessarily be indicative of results that may be expected in future periods.

Event-Driven Arbitrage. In general, event-driven arbitrage investing is exposed to adverse outcomes of the "event" being positioned. Adverse outcomes or developments might arise from fundamental reasons, regulatory rulings, legal or tax rulings or even extreme market movements. The financing component of many announced corporate actions could come under pressure and result in a cancellation or change in terms of the proposed transaction. Even where the corporate action or event occurs as expected, but is significantly delayed or advanced in timing of completion, deviations from the expected return or profitability could be high.

Relative Value Investing. PointState may use "relative value" investing strategies, which attempt to exploit relative mispricings among interrelated instruments (such as securities, derivatives, futures, bank debt, etc.), rather than making directional "bets" on absolute price movements. Mispricings, even if correctly identified, may not be corrected by the market, at least within a timeframe over which it is feasible for the Funds to maintain a position. Even "pure" arbitrage positions can result in significant losses if PointState is not able to maintain both sides of the position until expiration, for example, in circumstances where the Funds are forced prematurely to return a borrowed security. PointState may use a high degree of leverage and could be forced to liquidate positions prematurely in order to meet margin calls, causing an otherwise "pure" arbitrage position to result in major losses.

The success of PointState's relative value investment strategy depends on PointState's ability to identify and exploit perceived inefficiencies in the pricing of securities, financial products or markets. Identification and exploitation of such discrepancies involve uncertainty. There can be no assurance that PointState will be able to locate investment opportunities or to exploit pricing inefficiencies in the securities markets. A reduction in the pricing inefficiency of the markets in which PointState seeks to invest will reduce the scope for PointState's investment strategies. In the event that the perceived mispricings underlying the Funds' positions were to fail to converge toward, or were to diverge further from, relationships expected by PointState, the Funds may incur losses. Even if PointState's relative value investment strategy is successful, it may result in high portfolio turnover and, consequently, high transaction costs.

Repurchase and Reverse Repurchase Agreements. In a reverse repurchase transaction, the Funds buy Financial Instruments from a broker-dealer or financial institution, subject to the obligation of the broker-dealer or financial institution to repurchase such Financial Instruments at the price paid by the Funds, plus interest at a negotiated rate. In a repurchase transaction, the Funds sell Financial Instruments to a broker-dealer or financial institution, and have the obligation to repurchase such Financial Instruments at the price paid by the Funds, plus interest at a negotiated rate. The use of repurchase and reverse repurchase agreements by the Funds involves a variety of risks relating to the default of the seller under such agreements.

Risks Relating to Master Limited Partnerships. The Funds may invest directly or indirectly in Master Limited Partnerships ("MLPs"). Certain principal risks associated with investing in MLPs are described below.



*Limited Control.* The common units of many MLPs are listed and traded on U.S. securities exchanges, including the New York Stock Exchange, Inc. (“NYSE”) and the Nasdaq National Market System (“Nasdaq”). MLP common units can be purchased through open market transactions and underwritten offerings, but may also be acquired through direct placements and privately negotiated transactions. Investors in MLP common units become limited partners in the MLP and typically have very limited control. The MLP is governed by a general partner, which is generally controlled by the entity that created the MLP (*i.e.*, the “sponsor”). The limited partners of an MLP have no role in the management of the MLP.

*Decline in Commodity Prices.* A decline in commodity prices may lead to a reduction in production or supply of those commodities. MLPs that provide crude oil, refined products, natural gas liquids and natural gas services are subject to supply and demand fluctuations in the markets they serve, which will be impacted by a wide range of factors, including fluctuating commodity prices, weather, increased conservation or use of alternative fuel sources, increased governmental or environmental regulation, depletion, rising interest rates, declines in domestic or foreign production, accidents or catastrophic events and economic conditions, among others. A decrease in the production of natural gas, natural gas liquids, crude oil, coal or other energy commodities or a decrease in the volume of such commodities available for transportation, mining, processing, storage or distribution may adversely impact the financial performance of MLPs. While some MLPs are more able to mitigate or manage direct margin exposure to commodity price levels than others, the MLP sector can suffer from a market perception that MLPs’ performance and distributions are directly tied to commodity prices. Excess worldwide oil and gas reserves and production may further depress the value of investments in energy-related MLPs. This trend would cause producers to curtail production and/or reduce capital spending for exploration activities. To maintain or grow their revenues, these companies would need to maintain or expand their reserves through exploration of new sources of supply, the development of existing sources, acquisitions or through long-term contracts to acquire reserves. The financial performance of MLPs may be adversely affected if they, or the companies to whom they provide services, are unable to cost-effectively acquire additional reserves sufficient to replace the natural decline.

*Governmental Regulations.* Various governmental authorities have the power to enforce compliance with regulations and the permits issued pursuant to them and violators are subject to administrative, civil and criminal penalties, including civil fines, injunctions or both. Stricter laws, regulations or enforcement policies could be enacted in the future which would likely increase compliance costs and may adversely affect the financial performance of MLPs.

*Liquidity Risks.* MLPs may hold securities that are difficult to value or to sell promptly at an acceptable price. If an MLP is required to sell securities quickly or at a particular time (including sales to meet redemption requests), the MLP and, therefore, the Funds could realize a loss related to these illiquid investments. Although MLPs trade publicly, certain MLP securities may trade less frequently than those of larger companies due to their smaller market capitalizations. When certain MLP securities experience limited trading volumes, they may experience abrupt or erratic price movements. Investments in securities that are less actively traded or over time experience decreased trading volumes may restrict the MLP’s ability to take advantage of other market opportunities or to dispose of securities, which may affect adversely its ability to make dividend distributions.

*Tax risks.* The Funds expect to invest synthetically in MLPs through swaps or other derivative instruments. The U.S. federal income tax treatment of the Funds’ investment in certain swaps, options or futures contracts is subject to substantial uncertainty. The Funds intend to take the position that its swaps are treated as “notional principal contracts,” and do not constitute U.S. real property interests or direct interests in the MLPs, assuming the securities underlying any swap are actively traded on an established securities market in the United States and the Funds’ derivative exposure to the class of such

securities (directly, indirectly and under certain attribution rules) constitutes no more than (i) five percent (5%) of the fair market value of the class of the MLP interest that is regularly traded on an established securities market and (ii) five percent (5%) of the value of the regularly traded class of the MLP interest with the lowest value.

Risks Relating to Government-Sponsored Entities. The Funds invest in government-sponsored entities (“GSEs”). The Federal National Mortgage Association (“Fannie Mae”) and the Federal Home Loan Mortgage Corporation (“Freddie Mac”) are each a GSEs that participates in the U.S. housing market with the public mission of supporting liquidity and stability in the secondary mortgage market, where existing mortgage-related assets are purchased and sold. In 2008 the credit crisis put Fannie Mae and Freddie Mac under increasing financial pressure as loan losses increased and the value of fixed income assets, and ultimately their share prices, dropped significantly. On September 7, 2008 the companies were placed under the conservatorship of Federal Housing Finance Agency and, in return for significant credit support, the U.S. government obtained preferred shares and common stock warrants for 79.9% of each entity. The conservatorship is a statutory process designed to preserve and conserve the GSEs’ assets and property and put them in a sound and solvent condition. The conservatorships have no specified termination dates.

In addition, certain shareholders of Fannie Mae and Freddie Mac have filed a legal action claiming that a deal struck by Fannie Mae and Freddie Mac and the U.S. Treasury to keep them afloat by eliminating dividend payouts to various shareholders and requiring the companies to pay the U.S. Treasury an equal amount to their quarterly net worth exceeded the government’s authority. While the U.S. Court of Appeals for the District of Columbia rejected the majority of the plaintiffs’ claims in February 2017, at least one of the claims have been allowed to proceed. It remains unclear how the action will ultimately be resolved, as well as whether Congress will work on a bipartisan legislation to end Fannie Mae and Freddie Mac’s bailouts or the executive branch will take action on its own.

As a result of all of the foregoing, there has been, and remains, significant uncertainty regarding the future of the GSEs, including how long they will continue to exist in their current forms. Further developments in these matters could significantly limit the role of the GSEs in the nation’s housing finance system, impact trading spreads, temporarily disrupt liquidity in the GSE market and adversely affect the financial performance of GSEs, and therefore, the Funds.

Nature of Investments in the Energy Sector. Investments in the energy sector may be subject to a variety of risks, not all of which can be foreseen or quantified. Such risks may include but are not limited to: (i) the risk that the technology employed in an energy project will not be effective or efficient; (ii) uncertainty about the availability or efficacy of energy sales agreements or fuel supply agreements that may be entered into in connection with a project; (iii) risks that regulations affecting the energy industry will change in a manner detrimental to the industry; (iv) environmental liability risks related to energy properties and projects; (v) risks of equipment failures, fuel interruptions, loss of sale, loss of supply contracts or fuel contracts, decreases or escalations in power contract or fuel contract prices, bankruptcy of key customers or suppliers, tort liability in excess of insurance coverage, inability to obtain desirable amounts of insurance at economic rates, acts of God and other catastrophes; (vi) uncertainty about the extent, quality, and availability of oil and gas reserves; (vii) the risk that interest rates may increase, making it difficult or impossible to obtain project financing or impairing the cash flow of leveraged projects; and (viii) the risk of changes in values of companies in the energy sector whose operations are affected by changes in prices and supplies of energy fuels (prices and supplies of energy fuels can fluctuate significantly over a short period of time due to changes in international politics, energy conservation, the success of exploration projects, the tax and other regulatory policies of various governments and the economic growth of countries that are large consumers of energy, as well as other factors). The occurrence of events related to the foregoing may have a material adverse effect on the Funds and their investments.

The revenues generated by certain of the companies in which the Funds invest may be dependent on the future prices of and the demand for oil and natural gas. Oil and gas investments may have significant shortfalls in projected cash flow if oil and gas prices decline from levels projected at the time the investment is made. Various factors beyond the control of the Funds will affect prices of oil, natural gas, and natural gas liquids, including the worldwide supply of oil and natural gas, political instability or armed conflict in oil and natural gas producing regions, the price of foreign imports, the level of consumer demand, the price and availability of alternative fuels, the availability of pipeline capacity, and changes in existing government regulation, taxation, and price control. Prices for oil and natural gas have fluctuated in the recent past and markets for oil, natural gas, and natural gas liquids continue to be volatile.

Legal and Regulatory Matters in the Energy Sector. Power generation and transmission, as well as oil, natural gas and coal storage, handling, processing and transportation, are extensively regulated. Statutory and regulatory requirements may include those imposed by energy, zoning, environmental, safety, labor and other regulatory or political authorities. Failure to obtain or a delay in the receipt of relevant governmental permits or approvals, including regulatory approvals, could hinder operations and result in fines or additional costs. Obtaining permits and approvals or complying with ongoing regulatory requirements may be costly and/or time-consuming. Moreover, the adoption of new laws or regulations, including those with respect to the emission of greenhouse gasses, changes in the interpretation of existing laws or regulations or changes in the persons charged with political oversight of such laws or regulations, could have a material adverse effect upon the profitability of an investment made by the Funds and could necessitate the creation of new business models and the restructuring of investments in order to meet regulatory requirements, which may be costly and/or time-consuming.

General Risks of Investments in the Utility and Power Industries. The Funds may invest in the utility and power sectors. These investments are sensitive to fluctuations in resource availability, energy supply and demand, interest rates, special risks of constructing and operating facilities (including nuclear facilities), lack of control over pricing, merger and acquisition activity, weather conditions (including abnormally mild winter or summer weather and abnormally harsh winter or summer weather), availability and adequacy of pipeline and other transportation facilities, geopolitical conditions in gas or oil producing regions and countries (including the risk of nationalization of the natural gas, oil and related sectors), the ability of members of the Organization of Petroleum Exporting Countries to agree upon and maintain oil prices and production levels, the price and availability of alternative fuels, international and regional trade contracts, labor contracts, the impact of energy conservation efforts, environmental considerations, public policy initiatives and regulation.

Regulatory Risks of Investments in the Utility and Power Industries. Utility and power companies are subject to significant regulation in many aspects of their operations, including how facilities are constructed, maintained and operated, environmental and safety controls and the prices they may charge for the products and services. There are a variety of risks relating to actions of various governmental agencies and authorities in such industries. Additionally, stricter laws, regulations or enforcement policies could be enacted or pursued in the future, which would likely increase compliance costs and may adversely affect the financial performance of energy companies which may have implications for the companies that support the energy sectors' infrastructure-related requirements.

Risks of Investing in the Healthcare Sector. While investments in companies in the healthcare sector offer the opportunity for significant capital gains, such investments involve a high degree of business, financial, technological and regulatory risk that can result in substantial losses. These risks include, but are not limited to, the following:

- certain companies in the Funds' portfolio may have limited operating histories;

- certain of these companies may not have sufficient management or marketing personnel with appropriate scientific or medical training, which may slow or impede the companies' growth;
- obtaining approval for new products from governmental agencies can often be a lengthy and expensive process, the outcome of which can be uncertain;
- certain of these companies may become involved in lawsuits related to their patents or products;
- products produced by certain of these companies may become obsolete;
- government policies and regulations applicable to certain of these companies may change in ways that adversely affect them; and
- investor sentiment and preferences with regard to healthcare sector investments (some of which are generally perceived as risky) may change, which may have an adverse effect on the price of underlying securities.

Binary Biotechnology Events. The Funds may also invest in biotechnology companies pursuant to an event-driven strategy focused on an anticipated "binary event" with respect to such a company in the form of anticipated clinical trial results or regulatory agency news or decisions. The market value of the securities of certain of these companies may be particularly sensitive to such binary events. Certain of the risk factors set forth above under the headings "Event-Driven Investing" and "Event-Driven Arbitrage" may also apply to such investments.

Regulatory Oversight – Financial Institutions. Financial institutions in which the Funds invest or may invest are subject to extensive regulation, supervision and examination by regulators. These regulatory authorities have extensive discretion in connection with their supervisory and enforcement activities which may have an adverse effect on such institutions' business, financial position or results of operation.

The results of operations of financial institutions also may be materially affected by general economic conditions, changes in the level of interest rates, national and local cycles in real estate, and the monetary and fiscal policies of the U.S. federal government.

Regulatory Change – Financial Institutions. As discussed above, the financial institutions industry is subject to significant regulation which has materially affected the business of financial institutions in the past and is likely to do so in the future. In fact, at present, numerous changes to governing law have been introduced or are expected. Enactment of the U.S. Dodd-Frank Wall Street Reform and Consumer Protection Act (the "Dodd-Frank Act") and the rules and regulations issued or that may be issued by U.S. regulators implementing such legislation (as well as actions that may be taken by legislatures and regulatory bodies in other countries) could limit the ability of financial services companies to pursue business opportunities they might otherwise consider engaging in, impose additional costs on such businesses, result in significant loss of revenue to them, impact the value of assets they hold, establish more stringent capital, liquidity and leverage requirements, or otherwise significantly adversely affect such businesses.

In addition, increased regulatory focus on consumer protection practices and new and evolving mortgage-modification programs have resulted in changes in certain financial institutions' practices, have increased costs of compliance and, for certain businesses, reduced net income.

Regulations now affecting financial institutions and their interpretation may be changed at any time.

Risks Relating to Taxation. Certain tax positions the Funds has taken may be successfully challenged. The Funds may take positions with respect to certain tax issues which depend on legal conclusions not yet resolved by the applicable tax authorities or the courts. Should any such positions be successfully challenged by an applicable taxation authority, there could be a material adverse effect on the Funds or investors (which may include, without limitation, substantial retroactive taxes, plus interest and possibly penalties being imposed on the investors).

The Funds are exposed to changes in tax laws, regulations or their interpretation. Changes to the tax laws of, or practice in, the Cayman Islands, the U.S. or any other tax jurisdiction affecting one or more of the Funds could adversely affect the value of the investments held by the Funds and decrease the post-tax returns to investors.

The Funds might be deemed to be residents, to have a permanent establishment or to be engaged in a trade or businesses in jurisdictions where the Funds do not believe they are subject to tax, with the result that unexpected taxes might be imposed on the Funds. If the Funds were treated as residents, or as having a permanent establishments, or as otherwise being engaged in a trade or business, in any country in which they invest or in which their investments are managed, all of their income or gains, or the part of such income or gains that is attributable to, or effectively connected with, such residency, permanent establishment or trade or business, may be subject to tax in that country, which could have a material adverse effect on the Funds' performance and returns to investors.

Exposure to Material Non-Public Information. From time to time, PointState may receive material non-public information with respect to an issuer of securities or other Financial Instruments. In such circumstances, the Funds may be prohibited, by law, policy or contract, for a period of time from (i) unwinding a position in such issuer, (ii) establishing an initial position or taking any greater position in such issuer and (iii) pursuing other investment opportunities related to such issuer.

Corporate Governance Approaches. PointState generally does not expect to take an "activist" approach toward the management teams or boards of directors of the companies in which the Funds invest and, consequently, does not expect to enter into an investment for the purpose of implementing an activist strategy toward an issuer. In certain circumstances, however, the success of the Funds' investment of any portion of their capital in publicly-traded equity and/or debt securities may require that the Funds adopt an "activist" or "suggestivist" approach to defend their investment in such Financial Instruments. In pursuing an "activist" or "suggestivist" approach for defensive purposes, the Funds may act alone or together with one or more other investors or investment managers acting as a group. In order to implement any actions deemed necessary to defend the investments and maximize value, PointState, or other members of the investing group, may share their perspectives on long-term value creation with the management team, and occasionally, with the board of directors of the issuer to design an alternate strategic plan and assist them in the plan's execution and may secure the appointment of persons selected by PointState or other members of the group to the company's management team or board of directors. In order to accomplish the foregoing, PointState may cause the Funds, either alone or together with other members of a group, to acquire a "control" position in the issuer's securities. Moreover, there can be no assurance that any of the foregoing will succeed, and such control positions may subject the Funds to additional risks of liability for environmental damage, product defects, failure to supervise management, violation of governmental regulations and other types of liability including those in which the limited liability that is generally characteristic of such business operations may be ignored. All of the Funds' capital might be used to satisfy these liabilities.

The regulatory overlay, and consequently, risks, associated with activist, or even not entirely passive, investments are fundamentally different from the regulatory overlay that is applicable to purely passive investments. For instance, the Funds may be required to make filings pursuant to Sections 13(d),

13(g) and/or 16 of the U.S. Securities Exchange Act of 1934, as amended (the “Exchange Act”), or the rules and regulations promulgated pursuant thereto, and possibly be subject to “short swing profits” disgorgement, and to certain fees, penalties or sanctions, if it fails to do so. The Funds may also be required to make filings pursuant to the U.S. Hart-Scott-Rodino Antitrust Improvements Act of 1976, as amended.

Independent Money Managers. PointState may allocate up to 10% of the Funds’ assets to Money Managers. To the extent the Funds do allocate any portion of their assets to such Money Managers, such Money Managers may invest wholly independently of one another (and of the Funds) and may at times hold economically offsetting positions. To the extent that the Money Managers and/or the Funds do, in fact, hold offsetting positions, the Funds, considered as a whole, may not achieve any gain or loss despite incurring investment expenses, including, without limitation, performance-based compensation. If the Funds are concentrated in a position, as a result of the Funds’ and/or one or more funds managed by a Money Manager holding the same position, the risks associated with such position will be magnified. The Funds and some Money Managers also may compete with each other from time to time for the same positions in certain markets. Such competition may adversely affect the performance of the Funds and/or the funds managed by the Money Managers.

Investment Program of PointState. PointState’s trading strategy relies on both technical and fundamental analyses to identify potential investments. “Fundamental” analysis relies on the study of external factors to predict the price movement of a given financial investment. Such factors include government regulation, new technologies and political and economic events. “Technical” analysis relies on the study of actual daily, weekly and monthly price fluctuations, volume variations and changes in interest rates, and uses computer software and other sources to measure the interrelationships of these data in order to predict future price movements. Technical analysis produces positive results only to the extent that the trends followed are actually present and discernible in a given market. Fundamental analysis produces positive results only to the extent that PointState correctly predicts how external factors (such as government regulation, new technologies and political and economic events) will influence the market price of a given financial investment. There can be no assurance that the trading strategies employed by PointState will be successful in a given set of market conditions or that they are the most successful strategies available. The use of trading strategies based on technical and fundamental analyses is not new. If numerous other market participants employ a similar strategies, substantial buy and sell orders may be generated at or around the same time. This may prevent the Funds, particularly in illiquid markets, from executing trades at desired prices.

Leverage; Borrowing for Operations. The Funds use a high degree of “leverage” as part of the investment program. The use of leverage should allow the Funds to make additional investments, thereby increasing their exposures to assets, such that their total assets is often be greater than their capital; however, leverage may also magnify the volatility of changes in the value of the Funds’ portfolio. The effect of the use of leverage by the Funds in a market that moves adversely to their investments could result in substantial losses to the Funds, which would be greater than if the Funds had not been leveraged. In addition, the Funds have the authority to borrow money for cash management purposes and to meet redemptions that would otherwise result in the premature liquidation of their investments. The level of interest rates generally, and the rates at which the Funds can borrow particularly, will affect the operating results of the Funds. The amount of borrowings and leverage which the Funds may have outstanding at any time may be substantial in relation to their capital.

The instruments and borrowings used by the Funds to leverage investments may be collateralized by the Funds’ portfolio. Accordingly, the Funds may pledge their Financial Instruments in order to borrow or otherwise obtain leverage for investment or other purposes. The expiration or termination of available financing for leveraged positions and the requirement to post collateral in respect of changes in the fair value of leveraged exposures or changes in advance rates or other terms and conditions of the Funds’

financing agreements can rapidly result in adverse effects to their access to liquidity and their ability to maintain leveraged positions and consequently, may cause the Funds to incur material losses. Should the Financial Instruments pledged to lenders to secure the Funds' margin accounts decline in value, the Funds could be subject to a "margin call," pursuant to which the Funds must either deposit additional funds or Financial Instruments with the lender or suffer mandatory liquidation of the pledged Financial Instruments to compensate for the decline in value. Lenders providing financing to the Funds can, depending on the terms of the relevant financing arrangement, often apply essentially discretionary margin, haircut, financing and collateral valuation policies. Changes by lenders in any of the foregoing may result in large margin calls, loss of financing and forced liquidations of positions at disadvantageous prices. There can be no assurance that the Funds will be able to secure or maintain adequate financing.

While the Funds expect to borrow or use other forms of leverage (on a secured or unsecured basis) for any purpose, including to increase investment capacity, cover operating expenses or for clearance of transactions, there is no guarantee that any such borrowing arrangements or other arrangements for obtaining leverage will be available, or, if available, will be available on terms and conditions acceptable to the Funds. Unfavorable economic conditions also could increase funding costs, limit access to the capital markets or result in a decision by lenders not to extend credit to the Funds.

Turnover. A substantial portion of the Funds' capital may be invested on the basis of short-term market considerations which may involve a significant portfolio turnover and could involve substantial brokerage commissions and other transaction costs. These commissions and costs reduce the Fund's net profits. In addition, active trading may act to reduce the Fund's investment profits or create a loss for investors and may result in additional taxes for investors depending on the tax rules applicable to such investors. The after-tax impact of portfolio turnover is not considered when making investment decisions for the Funds.

Market Risk and Lack of Liquidity. The Funds are exposed to market risk. Among other things, this means that the prices of the Financial Instruments in which the Funds may invest can be highly volatile. Price movements of Financial Instruments in which the Funds' capital 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. Moreover, war, political or economic crises, terrorist action or other events may occur which can be highly disruptive to the markets, regardless of the strategies being employed. The Funds may incur significant losses in the event of disrupted markets and other extraordinary events in which market behavior diverges significantly from historically recognized patterns. The risk of loss in such events may be compounded by the fact that, in disrupted markets, many positions become illiquid, making it difficult or impossible for the Funds to realize profits, limit losses or execute trade orders at desired prices. Moreover, because illiquid investments may be difficult to value, the Funds' net asset value may fluctuate widely from one period to the next.

Governments from time to time intervene, directly and by regulation, in certain markets, particularly those in currencies, Financial Instrument futures and options. Such intervention often is intended to influence directly prices and may, together with other factors, cause such markets to move rapidly in the same direction because of, among other things, interest rate fluctuations.

In addition, in an effort to reduce risk in financial markets, there has been a heightened effort by regulators across the globe, including through the Basel III framework and the Dodd-Frank Act, to institute measures that help ensure that banks have sufficient capital and liquidity to cover loan losses and cash outflows in the event of another financial crisis. These regulations, which, among other things, govern the amount of supplementary leverage ratio and liquidity coverage ratio that the banks must maintain, affect

the way banks think about their risk management and compliance processes, leading to a ripple effect on corporate treasuries and general liquidity available in the market.

The success of the Funds' investment program depends to a great extent on PointState's ability to assess correctly the future course of regulations, price movements of stocks, bonds, commodities and foreign currencies. There can be no assurance that PointState will accurately predict these movements. The Funds are also subject to the risk of the failure of any exchanges on which their positions trade and of their clearinghouses. Sustained cyclical market declines and periods of unusual market volatility make it more difficult to produce positive trading results, and there can be no assurance that the Funds' strategies will be successful in such markets. Depending on market conditions, the Funds may incur substantial realized losses and may suffer unrealized losses in future periods, all of which may adversely affect their results of operations and the value of any investment in the Funds.

Concentration of Investments. The Funds are not limited as to the amount of capital or exposure which may be committed to any one Financial Instrument, issuer, industry, sector, strategy, country or geographic region. In fact, the Funds' portfolio, at times, have been and may in the future be significantly concentrated. The Funds' investment technique of concentrating investment positions increases the volatility of investment results over time and creates the potential that a loss in any such position could have a material adverse impact on the Funds' performance.

Independent Portfolio Managers; Netting. PointState's portfolio managers generally invest independently of one another and may at times hold economically offsetting positions. To the extent that the portfolio managers do, in fact, hold offsetting positions, the Funds, considered as a whole, may not achieve any gain or loss despite incurring investment expenses. If, by contrast, the Funds are concentrated in a position, as a result of two or more portfolio managers buying the same Financial Instruments, the risks associated with such Financial Instruments will be magnified.

Access to Information. In the course of conducting due diligence, certain investors may request information pertaining to the Funds (either verbally or in writing), including information that is not generally made available to all investors. PointState may respond to such requests without providing the relevant information to all other investors. PointState is generally receptive to reasonable requests from investors about the Funds. However, PointState reserves the right to determine, in its sole discretion, what information is appropriate to provide in response to inquiries from investors.

Cybersecurity Breaches. The Funds are dependent on their service providers (including PointState, their administrator, DFS (as defined below), prime brokers and custodians) for investment management, operational and financial advisory services, management services as well as back-office functions. The Funds' service providers depend on information technology systems and, notwithstanding the diligence that the Funds may perform on their service providers, the Funds may not be in a position to verify the risks or reliability of such information technology systems.

The Funds and their service providers (including PointState, their administrator, DFS, prime brokers and custodians) are subject to risks associated with a breach in cybersecurity. Cybersecurity is a generic term used to describe the technology, processes and practices designed to protect networks, systems, computers, programs and data from both intentional cyber-attacks and hacking by other computer users as well as unintentional damage or interruptions that, in either case, can result in damage and disruption to hardware and software systems, loss or corruption of data, and/or misappropriation of confidential information. For example, information and technology systems are vulnerable to damage or interruption from computer viruses, network failures, computer and telecommunication failures, infiltration by unauthorized persons and security breaches, usage errors by their respective professionals, power outages and catastrophic events such as fires, tornadoes, floods, hurricanes and earthquakes. Such damage or



interruption to information technology systems may cause losses to the Funds or individual investors by interfering with the operations of PointState and its affiliates and/or the Funds.

The Funds may also incur substantial costs as the result of a cybersecurity breach, including those associated with forensic analysis of the origin and scope of the breach, increased and upgraded cybersecurity, identity theft, unauthorized use of proprietary information, litigation, adverse investor reaction, the dissemination of confidential and proprietary information and reputational damage. Any such breach could expose both the Funds and PointState (which in turn may be indemnified by the Funds) to civil liability as well as regulatory inquiry and/or action. In addition, any such breach could cause substantial redemptions from the Funds. Investors could also be exposed to losses resulting from unauthorized use of their personal information. While PointState has implemented various measures to manage risks associated with cybersecurity breaches, including establishing business continuity plans and systems designed to prevent cyber-attacks, there are inherent limitations in such plans and systems, including the possibility that certain risks have not been identified. Similar types of cybersecurity risks also are present for issuers of securities in which the Funds invests, which could affect their business and financial performance, resulting in material adverse consequences for such issuers, and causing the Funds' investment in such securities to lose value.

Growth of Assets Under Management. There appears to be a tendency for the rates of return achieved by advisors to degrade as assets under management increase. There is, however, no limit on the total amount of subscriptions that may be accepted on behalf of the Funds as the applicable General Partner Entity and/or PointState has not agreed to limit the amount of assets which it may manage.

For example, in the event that the assets under management of the Funds grow, the Funds will need to build larger or more positions in order to deploy the same portion of their capital as they have traditionally done. Larger positions may be more difficult to build efficiently, may be less liquid, may take longer to liquidate and such liquidation may be less efficient. Larger positions may also trigger more regulatory filings and, in some instances, may force the Funds to choose between holding the position longer than they otherwise desire to, or, in certain instances, disgorging certain of their profits associated with the position. Additional limitations, such as on certain hedges, may also result in the Funds' holding such positions for longer than anticipated.

There may be instances where a Fund wishes to increase the number of positions that it takes as a result of increasing assets under management, but the Fund, the applicable General Partner Entity and/or PointState may be unable to identify sufficient additional attractive investments. If a Fund elects to pursue less attractive investments, then rates of return are likely to decline. If no additional (or larger) positions are taken, it is possible that cash balances will increase, which in turn will also dilute rates of return.

Internal Cross-Transactions. PointState may cause the Funds to engage in trades, including principal transactions (collectively, "Cross-Transactions"), with one or more other PointState Funds or other funds or accounts managed or advised by PointState from time to time (collectively, "Other Accounts"), typically for purposes of rebalancing the portfolios of the Funds and such Other Accounts. Such Cross-Transactions involve the Funds purchasing Financial Instruments held by one or more Other Accounts or selling Financial Instruments to one or more Other Accounts. Cross-Transactions, however, will be subject to a number of considerations, including, without limitation, cash balances and liquidity needs (including as a result of subscriptions or redemptions) and tax, regulatory, risk and other considerations, which may preclude these transactions from occurring or may limit their scope, effect or the time at which they occur. PointState will take into account these and other considerations as it deems fair and equitable in its discretion.

To the extent that any Cross-Transactions reduce the exposure of the Funds to high-return, or increase their exposure to low-return, investment positions, or if, in the light of any or a combination of the considerations described above, PointState determines not to effect a Cross-Transaction at all which, if effected, would increase the exposure of the Funds to high-return investment positions, the performance of the Funds and, in turn, the value of the investments could be negatively affected. In addition, as PointState may receive different management fees and performance-based profit allocations with respect to the Other Accounts than the management fee and performance-based profit allocation received from the Funds, there can be no assurance that PointState will not be subject to conflicts of interests when effecting, or determining not to effect, Cross-Transactions.

Investments in Other Accounts. The Funds have provided, and may in the future provide, seed capital to or “incubate” newly-formed Other Accounts or invest in existing Other Accounts if PointState determines that investing in such Other Accounts would enable the Funds and/or Other Accounts to access desirable investment opportunities. Such investment activity may subject the Funds to additional risks. For example, in some circumstances, Other Accounts that have received significant redemption or withdrawal requests may suspend or limit redemptions or withdrawals, including redemptions or withdrawals by the Funds, potentially obligating the Funds to limit or suspend redemptions from the Funds. Also the Funds may not have an active role in the day-to-day management of Other Accounts and may not have the opportunity to evaluate the specific investments made by Other Accounts before they are made. Because Other Accounts, in particular ones seeded by the Funds, may be operated by a newly-formed team without a significant track record, such investment may be subject to more risks than would be the case if the Funds had invested with a more “seasoned” team with a longer track record. Furthermore, Other Accounts may invest on the basis of certain short-term market considerations. As a result, the turnover rate with such Other Accounts may be significant, potentially involving substantial brokerage commissions, fees and other transactions costs. In addition, the Funds will bear their pro rata share of the expenses of such Other Accounts, all of which could adversely affect the Funds’ returns.

PointState is Dependent on Key Personnel. PointState is dependent on the services of certain key portfolio managers, consultants and other personnel for conducting its investment advisory services, in particular Mr. Zachary Schreiber. Were the services of these people to become unavailable for any reason, the consequences to the Funds could be material and adverse and could lead to premature dissolution of the Funds.

PointState is Dependent on Key Service Providers. PointState is dependent on the services of certain key service providers, consultants and other financial services professionals, for conducting middle-office, back-office and information technology services, in particular DFS. Were the services of these key service providers become unavailable for any reason, the consequences to the Funds could be material and adverse and could lead to premature dissolution of the Funds.

Information Provided by Duquesne Fund Services LLC (“DFS”). In analyzing and implementing its investment program, PointState expects to rely on certain proprietary market data, risk reports, technical analysis and other information generated by the Funds’ middle-office and back-office service provider, DFS. DFS is indirectly owned by an investor in certain of the PointState Funds. While PointState expects to receive such information from DFS, there can be no assurance that DFS will continue to provide PointState with such information. If DFS were to cease to provide such information, it could materially impair PointState’s ability to implement its investment program and to monitor and manage risk. Further, DFS’s ultimate owner is expected to be investing in financial markets for its own behalf and it is expected that it will use DFS-generated technical analysis and other information for the benefit of its own investing; whether or not DFS provides this market data and analysis to PointState, there can be no guarantee that such investing will not compete with or interfere with the Funds’ own activities. Additionally, DFS is under

no obligation not to share certain technical analysis (which will not contain any proprietary information of PointState or the Funds' clients) with other market participants, and has done so in certain instances.

Risks Relating to Use of Experts/Third-Party Research Services Providers/Political Intelligence Analysts. PointState engages and retains strategic advisors, consultants, senior advisors and other similar professionals, including members of "expert networks" who are not employees or affiliates of the PointState Group and who include former senior officials and other high-profile political figures, including persons known to be close associates of such individuals. The nature of the relationship with each of these professionals and the amount of time devoted or required to be devoted by them varies considerably. In certain cases, they provide PointState with industry- or jurisdiction-specific insights and feedback on investment themes, assist in transaction due diligence and make introductions to and provide reference checks on management teams. In other cases, they take on more extensive roles and contribute to the origination of new investment opportunities. In most instances PointState has formal arrangements with these professionals (which may or may not be terminable upon notice by any party), and in other cases the relationships may be more informal. The Funds will bear the expenses associated with such arrangements.

While PointState believes that the services provided by experts, third-party research services providers, political intelligence analysts and similar professionals will enhance its investment management decisions, such services are generally expensive and there is no guarantee that such services provided will be accurate or that any investment decisions based on such services will be successful.

There can be no assurance that any of the consultants and/or other professionals will continue to serve in such roles and/or continue their arrangements with PointState throughout the term of the applicable Fund.

Depending on the nature of the relationship between the consultant and PointState, such consultant may or may not be subject to the internal compliance policies and procedures of PointState. In the event that material non-public information is obtained by such persons, the Funds' may become (or may elect to become) subject to trading restrictions pursuant to the internal trading policies of PointState or as a result of applicable law or regulations or be prohibited for a period of time from purchasing or selling Financial Instruments, which prohibition may have an adverse effect on the Funds. The Funds, the Other Accounts and PointState may also become subject to legal, regulatory, reputational and other unforeseen risks as a result of these professionals' high-profile positions or other actions. Such legal and regulatory risks may include but are not limited to the risks of such consultants and/or other professionals failing to comply with the U.S. Foreign Corrupt Practices Act and other anti-corruption laws, anti-bribery laws and regulations to which they or the Funds are subject, engaging in insider trading or contravening the provisions of Stop Trading on Congressional Knowledge Act. The Funds may be held liable for such actions in addition to the reputational damage suffered as a result of such actions. The Funds may have difficulty monitoring such consultants and/or other professionals' compliance with applicable laws or their activities more generally.

Trade Errors. PointState's process for placing orders and executing trades is subject to the risk of error. Trade errors may be caused by any type of human error; for example, keystroke errors that occur when entering trades into an electronic trading system, failures of oral communication between the investment staff and trading staff, or typographical or drafting errors related to derivatives contracts or similar agreements. The cost of trade errors may be significant. If borne by the Funds, such costs could materially and adversely affect the Funds' performance. If borne by PointState, such costs could cause serious financial harm to PointState, which in turn could impair PointState's ability to conduct future business activities.

## 2. Additional Risks Relating to the PointBridge Funds

In addition to the applicable risks set forth in “1. Risks Relating to the Funds” above, the PointBridge Funds are also subject to the following risks:

Highly Concentrated Portfolio. The PointBridge Funds are exposed to a highly concentrated portfolio, which could exacerbate volatility and investment risk. In pursuit of the PointBridge Funds’ investment strategies, the present intention of PointState is to invest (i) Class A primarily in Financial Instruments that expose the PointBridge Funds to the Republic of Argentina and (ii) Class B primarily in Financial Instruments designed to provide short/long exposure to certain “paired” currencies.

In particular, Class A will hold concentrated investments in sovereign bonds issued by the Republic of Argentina (the “Sovereign Bonds”). Therefore, the Class A will be much more susceptible to fluctuations in value resulting from adverse economic conditions affecting the Republic of Argentina (including conditions affecting the geopolitical or economic climate in the Republic of Argentina or the geographic area in which it is located), adverse decisions pronounced in the various ongoing multi-jurisdictional litigations involving the Sovereign Bonds, or adverse rules and regulations governing the Sovereign Bonds, whether within the Republic of Argentina, the U.S. or other foreign jurisdictions than a less concentrated portfolio would be. Additionally, a decline in the value of the Sovereign Bonds could have a material adverse impact on the overall assets of Class A, and, in turn, the value of any other investments in the PointBridge Funds.

Class B will be much more susceptible to fluctuations in the value of such currencies, including fluctuations resulting from unanticipated economic conditions affecting the countries on whose economy the “paired” currencies are based (including conditions affecting the geopolitical or economic climate of the geographic area in which such countries are located). An unexpected decline or rise in the value of one or both of the “paired” currencies could also have a material adverse impact on the overall assets of Class B, and, in turn, the value of any other investments in the PointBridge Funds.

A concentrated portfolio increases the volatility of investment results over time. Although it may at times choose to do so, PointState is under no obligation to hedge the PointBridge Funds’ position to mitigate the foregoing risks.

Risks Relating to Investing in Emerging Markets. Countries in which the PointBridge Funds may invest are emerging market economies, and investing in emerging markets generally carries risks. These risks include political, social, military and economic instability that may affect such country’s economic results. Instability in emerging market countries has been caused by many different factors, including the following:

- high interest rates;
- abrupt changes in currency values;
- high levels of inflation;
- recession;
- volatility of the foreign exchange market and exchange controls;
- restrictions on currency convertibility;

- restrictions on the repatriation of dividends or profits;
- expropriation or nationalization of property;
- wage and price controls;
- changes in governmental economic or tax policies, and other laws or regulations;
- political and social tensions, such as government deadlock, terrorism and civil strife;
- engagement in or proximity to ongoing military conflicts;
- migration of displaced persons; and
- economic sanctions.

Furthermore, emerging market countries in which the PointBridge Funds may invest have experienced significant political, social and economic instability as well as economic volatility in recent decades (including numerous periods of low or negative growth and high and variable levels of inflation and depreciation of the currency). Additionally, the intervention of central banks in the foreign exchange market, aimed at counteracting sudden or sharp shifts in the value of the a nation's currency, may have a negative impact on such nation's international reserves and may result in a significant depreciation or appreciation of such currencies.

#### **(a) Additional Risks Relating to Class A**

**Default Risk.** In the event that bondholders, including the PointBridge Funds, receive a favorable judgment with respect to the payment of the principal and/or interest payments due with respect to the Sovereign Bonds, investors should understand that it is legally difficult and, in most instances, not practicable, to enforce court judgments against a sovereign body such as the Republic of Argentina. (See “*Litigation and enforcement risks of the Sovereign Bonds*” below.) As such, an investment in the PointBridge Funds presents an unusually high risk, even relative to other highly distressed investment products.

**Risks Relating to the Injunction Prohibiting Payment on the Sovereign Bonds.** In 2005 and 2010, Argentina conducted exchange offers to restructure part of its sovereign debt that had been in default since the end of 2001. As a result of these exchange offers, Argentina restructured over 92% of its indebtedness. In 2012, plaintiffs in New York obtained a U.S. District Court order enjoining Argentina from making interest payments in full on the bonds issued pursuant to the 2005 and 2010 exchange offers (“Exchange Bonds”) unless Argentina paid the plaintiffs in full, under the theory that the former payments violated the *pari passu* clause in the 1994 Fiscal Agency Agreement (the “FAA”) governing those non-performing bonds. The Second Circuit Court of Appeals affirmed the so called *pari passu* injunctions. In February 2016, the Republic of Argentina entered into an agreement to settle with certain holders of defaulted debt and put forward a proposal to other holders of defaulted debt, including those with pending claims in U.S. courts. The U.S. District Court vacated all *pari passu* injunctions upon confirmation of conditions agreed with such bondholders. On December 22, 2016, in a case involving certain creditors that had not responded to the February 2016 settlement proposal and alleged a continued violation of the *pari passu* clause, the District Court found that no continued *pari passu* violation existed although the plaintiffs’ bonds remained unpaid while Argentina was paying its consenting creditors as well as the newly issued bonds. As of the date hereof, litigation initiated by bondholders that have not accepted Argentina’s settlement offer continues in several jurisdictions, although the size of the claims involved has decreased significantly. Although the

vacating of the *pari passu* injunctions removed a material obstacle to access to capital markets by the Republic of Argentina, future transactions may be affected as litigation with holdout bondholders continues, which in turn could affect the Republic of Argentina's ability to access international credit markets, and thus could have a material adverse effect on Argentina's and the Province's economies.

Litigation and Enforcement Risks of the Sovereign Bonds. As has been widely reported, various groups of holders of Sovereign Bonds initiated litigation in a number of jurisdictions during the last decade. The outcome of such litigations, and the resulting impact on the Republic of Argentina's ability to make payments on the Sovereign Bonds, has been variable. There are some multi-jurisdictional litigations ongoing with respect to the Republic of Argentina's obligations under the various tranches of Sovereign Bonds issued and outstanding. The results of these litigations and the ability to obtain or enforce judgments or arbitral awards against the Republic of Argentina may have a significant impact on the value of the Sovereign Bonds. Parties suing the Republic of Argentina on defaulted debt in the U.S. and elsewhere are, however, limited by the sovereign immunities laws in the jurisdictions in which proceedings against the Republic of Argentina are brought. Accordingly, it may be difficult for holders of the Sovereign Bonds or trustees in respect of such securities to obtain or enforce against the Republic of Argentina judgments issued in the U.S. or elsewhere. Attachment and execution attempts against the property of a foreign state such as the Republic of Argentina are governed in the U.S. by the Foreign Sovereign Immunities Act of 1976 ("FSIA"), as well as by public international law, including international treaties such as the Vienna Convention on Diplomatic Relations of 1961 (the "Vienna Convention"). Even when a foreign state has waived immunity from suit and from enforcement, as has the Republic of Argentina in connection with the Sovereign Bonds, the FSIA limits attachments and executions to property of the foreign state that is (1) in the U.S. and (2) used for a commercial activity in the U.S. Plaintiffs who have sued the Republic of Argentina on such defaulted debt have sought prejudgment attachments of, and post-judgment executions against, property which plaintiffs claim belongs to the Republic of Argentina and which they claim is located in the U.S. and is being used for commercial activity in the U.S. In addition, the Republic of Argentina may plead sovereign immunity under the FSIA in actions brought against it under the U.S. federal securities laws or any state securities laws. Its submission to New York jurisdiction, appointment of Banco de la Nación Argentina as its authorized agent for service of process and waiver of immunity do not include these actions. The Republic of Argentina has vigorously opposed attempts by plaintiffs and judgment creditors to attach or execute against property that they allege is subject to attachment and execution under the FSIA.

Other countries may also provide foreign states with immunity from jurisdiction and attachment and execution. Countries may be signatories to treaties protecting diplomatic property of foreign states such as the Vienna Convention, which has been adopted by most countries, including the Republic of Argentina, as well as France, Spain, the United Kingdom and Italy. The Republic of Argentina has also opposed attempts by creditors to have non-Argentine judgments recognized and enforced in Argentine courts. The Republic of Argentina's bases for opposition have included that the foreign judgments contravene Argentine principles of public order, are incompatible with judgments previously or simultaneously issued by Argentine courts, or that the Republic of Argentina was not provided due process rights.

Risks Relating to Sovereign Bonds Governed by Argentine law. Sovereign Bonds governed by Argentine law will not have the benefit of certain covenants granted to holders of Sovereign Bonds governed by New York law or English law. Discount bonds ("Discounts"), par bonds ("Pars") and GDP-linked Sovereign Bonds governed by Argentine law will be issued under an Argentine government decree that will not contain certain covenants granted to holders of "New Securities" governed by New York law or English law. In particular, Argentina will have no obligation with respect to Discounts, Pars and GDP-linked Sovereign Bonds governed by Argentine law to pay additional amounts for any withholding of Argentine taxes, duties or assessments on payments of principal or interest on such Discounts or Pars or on

payments on such GDP-linked Sovereign Bonds (e.g., taxes on financial income, enacted by Argentine Law 27,430). Furthermore, Discounts, Pars and GDP-linked Sovereign Bonds governed by Argentine law include certain covenants such as negative pledge covenants or events of default. As a result of this absence of covenants and events of default, the trading price of Discounts, Pars and GDP-linked Sovereign Bonds governed by Argentine law may be adversely affected and may be lower than the trading prices of Discounts, Pars and GDP-linked Sovereign Bonds governed by New York law or English law.

**(b) Additional Risks Relating to Class B**

Risks related to Interest Rate Swaps. Class B may invest in certain interest rate-linked products, including interest rate swaps. Interest rate swaps are a type of derivative instrument where the parties exchange interest payments on a specific principal amount per payment period, typically exchanging a fixed amount for a floating amount (an amount equal to a variable interest rate (such as LIBOR) multiplied by the principal amount). Such payment periods are generally short and these products are typically highly liquid. In the event that the PointBridge Funds enter into an interest rate swap and is paying a fixed amount, the PointBridge Funds risk that the variable interest rate will decrease and therefore the PointBridge Funds will pay more than they will receive. Alternatively, in the event that the PointBridge Funds are paying a floating amount, the PointBridge Funds risk that the variable interest rate will increase and therefore the PointBridge Funds will pay more than they will receive. Interest rate swaps may be linked to one or more currencies. There can be no assurance that the interest rates underlying any interest rate swap will perform as expected, and swings in the value of the underlying currencies and the interest rates generally associated with them may adversely affect the value of any interest rate swap in which the PointBridge Funds invest and, therefore, the performance of the Class B shares/interests.

**3. Additional Risks Relating to the PointArgentum Funds**

In addition to the applicable risks set forth in “1. Risks Relating to the Funds” and “3. Additional Risks Relating to the PointBridge Funds” above, the PointArgentum Funds are also subject to the following risks:

Risks Relating to the PointArgentum Funds’ Private Investment Strategy. The PointArgentum Funds may pursue private investments. The principal risks associated with such investments are described below.

- Illiquidity. Many of the PointArgentum Funds’ investments are highly illiquid, and there can be no assurance that the PointArgentum Funds will be able to realize such investments at attractive prices or otherwise be able to effect a successful realization or exit strategy. Additionally, the PointArgentum Funds may acquire Financial Instruments that cannot be sold except pursuant to a registration statement filed under the Securities Act, or in accordance with Rule 144 promulgated under the Securities Act (“Rule 144A”). There can be no assurance that private purchasers can be found for the PointArgentum Funds’ investments.
- Failure to Yield Returns. Given the nature of the portfolio companies that have been targeted by the PointArgentum Funds’ private investment strategy, there is a likelihood that one or more investments of the PointArgentum Funds may fail to yield any returns. Such investments could, in certain circumstances, subject the PointArgentum Funds to certain additional potential liabilities that may exceed the value of the PointArgentum Funds’ original investments therein.
- Contingent Liability on Disposition of Investments. In connection with the disposition of an investment in private Financial Instruments, the PointArgentum Funds may be required to make representations about the business and financial affairs of the portfolio company typical

of those made in connection with the sale of a business. The PointArgentum Funds also may be required to indemnify the purchasers of such investment to the extent that any such representations turn out to be inaccurate. These arrangements may incur contingent liabilities that ultimately might yield funding obligations that must be satisfied by the PointArgentum Funds.

- Difficulty of Locating Suitable Investments. There can be no assurance that there will be a sufficient number of suitable investment opportunities to satisfy the PointArgentum Funds' investment objectives, or that such investment opportunities will lead to completed investments by the PointArgentum Funds. The activity of identifying, completing and realizing an attractive investment opportunity is highly competitive and involves a high degree of uncertainty. The PointArgentum Funds will compete for the acquisition of investments with other investors, some of which will have greater resources than the PointArgentum Funds. Such competitors may include other private investment funds as well as individuals, financial institutions and other institutional investors. In addition, the availability of investment opportunities generally will be subject to market conditions as well as, in some cases, the prevailing regulatory or political climate. Therefore, identification of attractive investment opportunities is difficult and involves a high degree of uncertainty, and competition for such opportunities may become more intense.
- Need for Additional Investments. The PointArgentum Funds have been and may in the future be called upon to provide follow on funding for their portfolio companies or have the opportunity to increase their investment in portfolio companies. There can be no assurance that the PointArgentum Funds will be able to make such additional investments or that the PointArgentum Funds will have sufficient funds to do so. Any decision not to make such additional investments or the inability to make them may have a substantial negative impact on a portfolio company in need of such an investment or may diminish the PointArgentum Funds' ability to influence the portfolio company's future development.
- Control; Non-Control Position Risk. To the extent that the PointArgentum Funds make investments that allow the PointArgentum Funds to acquire control or exercise influence over management and the strategic direction of a portfolio company, the PointArgentum Funds may be exposed to additional risks. The exercise of control over a portfolio company imposes additional risks of liability for environmental damage, product defects, pension liabilities, regulatory compliance risks, failure to supervise management and other types of liability in which the limited liability characteristic of business operations may be ignored. The exercise of control over a portfolio investment could expose the assets of the PointArgentum Funds to claims by the companies underlying such investments, their security holders and their creditors. While PointState intends to manage the PointArgentum Funds to minimize exposure to these risks, the possibility of successful claims cannot be precluded. Even where the PointArgentum Funds hold a non-controlling interest in a portfolio company, their employees and constituents have taken seats on a board of directors or similar governing body thereof and, as a result, may be subject to risks similar to those identified as applying to controlling shareholders. Conversely, the PointArgentum Funds may hold a non-controlling interest in certain portfolio companies and, therefore, may have a limited ability to protect their position in such portfolio companies.

PointArgentum Offshore and the PointArgentum Onshore will Invest Through the PointArgentum Master Fund and/or other Subsidiaries; Trading Vehicles Or Affiliates, and Their Investments may be Subordinated to the Claims of such Affiliates' Creditors. PointArgentum Offshore and PointArgentum Onshore have effected certain investments through limited partnerships, limited liability companies,



corporations and other vehicles sponsored or managed by PointState, including, without limitation, the PointArgentum Master Fund and certain other subsidiaries or trading vehicles. The PointArgentum Offshore Fund and the PointArgentum Onshore Fund bear their pro rata share of the costs of operating the PointArgentum Master Fund and such subsidiaries and/or trading vehicle(s) but not pay any additional performance-based carried interest or pay any additional management fee to the applicable General Partner Entity, PointState or their affiliates as a result of investment through the PointArgentum Master Fund or any other subsidiary and/or trading vehicle. A creditor having a claim that relates to a particular investment held by any such subsidiary or vehicle may be able to satisfy such claim against all assets of such subsidiary or vehicle, without regard to the participation rights of the PointArgentum Funds and other investors of such subsidiary or vehicle in the assets of such subsidiary or vehicle.

Use of Consultants. PointState has entered into consulting arrangements with one or more persons. This consultant provides non-binding advice (with no authority to either conclude contracts or take investment decisions) to PointState and its personnel. No additional management fee is paid by the investors, either directly or indirectly, with respect to any services performed by such consultant. While investment decisions may be made in reliance on the advice of such consultant, PointState is ultimately responsible for the investment decisions of the PointArgentum Funds. There can be no guarantee that the use of the consultant will have a positive impact on the performance of the PointArgentum Funds and, in certain instances, including, but not limited to, if the consultant were unwilling for any reason to continue to provide its services in accordance with the terms of its consulting arrangements and/or any dispute arose in the Republic of Argentina or elsewhere among them in connection with the services provided to PointState, the PointArgentum Funds' performance may be negatively impacted. In addition, if any such consultancy arrangement were to be deemed to be an employment, rather than consultancy, relationship, Argentine labor laws may, for example, require PointState to make significant severance or other payments in the event of a dismissal and/or subject PointState to other costs and liabilities. The amount of any such costs may be significant and may adversely affect PointState's incentive regarding its continued management of the PointArgentum Funds.

Risks Relating to the Initial Investors. All or a combination of the Funds (collectively, the "PointState Fund Investors"), have made an initial investment in the PointArgentum Funds because PointState determined that investing in the PointArgentum Funds would enable the PointState Fund Investors to access desirable investment opportunities. Such investment activity may subject the PointArgentum Funds (and any other PointState Funds in which the PointState Fund Investors (or other PointState Funds) make similar investments) to additional risks and conflicts. For example, capital accounts held by the PointState Fund Investors are not subject to the management fee or the Carried Interest, and the PointState Fund Investors may impose different kinds of asset-based fees and incentive-based compensation at their own level. PointState may also have conflicting incentives regarding its investment decisions made on behalf of the PointState Fund Investors.

The PointState Fund Investors' decision to invest, and remain invested, in the PointArgentum Funds is dependent on a variety of factors, including, without limitation, PointState's ongoing determination of the merits of an investment in the PointArgentum Funds and whether their continued investment is likely to be detrimental, economically, reputationally or otherwise, to the PointState Fund Investors and PointState. PointState, the applicable General Partner Entity and the PointState Fund Investors are currently controlled by the same persons and such persons are currently significant investors in the PointState Fund Investors. PointState is not required to (and may not) take the interests of the PointArgentum Funds and other investors therein into account in making the investment determinations described in this paragraph. Relatedly, PointState and the applicable General Partner Entity will be subject to certain conflicts of interest relating to their affiliations with PointState and the PointState Fund Investors. There can be no assurance that such conflicts, if resolved, will be resolved for the benefit of the

PointArgentum Funds and other investors therein. An investment in the Funds' has limited liquidity, including constraints upon withdrawal.

Capital Gains, Dividends and Interest are Subject to Taxation in Argentina, Which May Materially Affect the PointArgentum Funds' Returns. Under the enacted regulations, gains upon sales, exchanges and other dispositions of interests, bonds and other securities (including American depositary receipts) issued by Argentine entities (each, a "relevant security") are subject to a capital gains tax (i) at an effective rate of 13.5% of the gross sales proceeds or (ii) at 15% of the net proceeds if the seller can document its cost basis for Argentine tax purposes. Section 8 of General Resolution (AFIP) 4,227/2018 describes how to elect one mechanism over the other in order to determine the applicable rate. When both the seller and the buyer are non-Argentine residents, the seller will be liable to pay the tax. The aforementioned General Resolution 4,227/2018 has established a mechanism for a non-Argentine resident seller to make such a tax payment. If the buyer is an Argentine resident, the buyer is required to withhold the tax. In some cases, exemptions may apply.

The capital gains tax was recently enacted and further regulation and interpretation may develop the law in this area.

In addition, investors should note that dividends paid by Argentine entities are generally subject to withholding tax. Following an amendment to the Income Tax Law for any fiscal period beginning on or after January 1, 2018, the taxes applicable on dividend distributions from Argentine companies were enacted as follows: (i) dividends originated from profits obtained in fiscal periods initiated prior to January 1, 2018 are not subject to any income tax withholding with the exception of the "Equalization Tax" described below; (ii) dividends originated from profits obtained during fiscal periods initiated from January 1, 2018 to December 31, 2019 and paid to Argentine resident individuals and/or non-residents, are subject to a 7% income tax withholding on the amount of such dividends and (iii) dividends originated from profits obtained during fiscal periods initiated on January 1, 2020 and thereafter will be subject to a 13% withholding income tax.

There is an additional withholding tax that applies if dividends exceed a company's accumulated taxable income, after certain adjustments ("Equalization Tax"). In that case, the withholding rate is 35%. However, Equalization Tax is not applicable regarding profits originated in fiscal periods initiated as of January 1, 2018.

Interest paid with respect to debt issued by Argentine entities is generally subject to a 15% withholding tax, which may be increased to 31.5% or 35% in certain cases. These withholding taxes may not be creditable and may reduce the PointArgentum Funds' returns with respect to interest and dividends (if any).

Investments Whose Terms Are Longer Than Expected and Distribution Of Illiquid Investments. The PointArgentum Funds may make investments which may not be advantageously disposed of soon after the expiration or termination of the Investment Period in respect of any capital account. Additionally, due to the illiquid nature of the Financial Instruments that the PointArgentum Funds have acquired, PointState is unable to predict with confidence what the exit strategy will ultimately be for any given position. The PointArgentum Funds may have to delay selling, distributing or otherwise disposing of Financial Instruments for an indefinite period until it is advantageous to do so.

#### C. Risks Associated with Particular Types of Investments.

Fixed-Income Financial Instruments. The value of fixed-income securities in which PointState may invest will change in response to fluctuations in interest rates. Except to the extent that values are

independently affected by currency exchange rate fluctuations, when interest rates decline, the value of fixed-income securities can generally be expected to rise. Conversely, when interest rates rise, the value of fixed-income instruments can generally be expected to decline.

The PointState Funds may invest in zero coupon bonds and deferred interest bonds. Such investments experience greater volatility in market value due to changes in interest rates than debt obligations that provide for regular payments of interest.

The PointState Funds may purchase low-rated or unrated debt instruments. These instruments may offer higher yields than do higher rated instruments, but generally involve greater price volatility. The market for these instruments may also be limited and some issuers may limit the intervals for redemptions.

**Sovereign Debt.** The PointState Funds invest in Financial Instruments issued by a government, its agencies, its instrumentalities or its central bank (“**Sovereign Debt**”). The ability of an issuer to make payments on Sovereign Debt, the market value of such debt and the inclusion of Sovereign Debt in future restructurings may be affected by a number of other factors, including such issuer’s (i) balance of trade and access to international financing, (ii) cost of servicing such obligations, which may be affected by changes in international interest rates, and (iii) level of international currency reserves, which may affect the amount of foreign exchange available for external debt payments. Significant ongoing uncertainties and exposure to adverse conditions may undermine the issuer’s ability to make timely payment of interest and principal and issuers may default on their Sovereign Debt. While PointState examines the regulatory risks associated with such investments, there can be no assurance that the implementation of existing legislative, judicial or regulatory action will not adversely affect the investments held by the PointState Funds. For example, actions taken in the future by a government, its agencies, its instrumentalities or its central bank may have the effect of encouraging, or may requiring, that the terms of such Sovereign Debt be modified in order to reduce the applicable interest rate, reduce the outstanding principal amount, extend the term to maturity or otherwise benefit the borrower to the detriment of the bondholders. The trading market for such Sovereign Debt is volatile and may be thinly-traded or quickly become illiquid.

**Prepayment Risk.** The frequency at which prepayments (including voluntary prepayments by the obligors and accelerations due to defaults) occur in the Financial Instruments in which the PointState Funds may invest will be affected by a variety of factors. Generally, obligors tend to prepay their fixed-rate obligations when prevailing interest rates fall below the coupon rates on their obligations. Similarly, floating rate issuers and borrowers tend to prepay their obligations when spreads narrow.

In general, “premium” securities (securities whose market values exceed their principal or par amounts) are adversely affected by faster than anticipated prepayments and “discount” securities (securities whose principal or par amounts exceed their market values) are adversely affected by slower than anticipated prepayments. Since certain of the Financial Instruments in which the PointState Funds may invest may be discount instruments when interest rates and/or spreads are high and may be premium instruments when interest rates and/or spreads are low, such Financial Instruments may be adversely affected by changes in prepayments in any interest rate environment.

The adverse effects of prepayments may impact the PointState Funds’ portfolio negatively in various ways.

**Trading in Currencies.** A principal risk in trading currencies is the rapid fluctuation in the market prices of currency contracts. Prices of currency contracts traded by the PointState Funds are affected generally by relative interest rates, which in turn are influenced by a wide variety of complex and difficult-to-predict factors, such as money supply and demand, balance of payments, inflation levels, fiscal policy, and political and economic events. In addition, governments from time to time intervene, directly and by

regulation, in these markets, with the specific effect, or intention, of influencing prices which may, together with other factors, cause all of such markets to move rapidly in the same direction because of, among other things, interest rate fluctuations. The PointState Funds may or may not seek to hedge their currency exposure.

Exchange Traded Funds and Mutual Funds. The PointState Funds may invest in ETFs and mutual funds, which are shares of publicly-traded unit investment trusts, open-end funds or depository receipts that seek to track the performance and dividend yields of specific indexes or companies in related industries. These indexes may be either broad-based, sector-based or international. However, mutual fund and ETF investors are generally subject to the same risk as holders of the underlying securities they are designed to track. Mutual funds and ETFs are also subject to certain additional risks, including, without limitation, the risk that their prices may not correlate with changes in the prices of the underlying securities they are designed to track and the risk of halted trading in an ETF due to market conditions or other reasons, based on the policies of the exchange on which the ETF trades. In addition, the PointState Funds may bear, along with other investors of a mutual fund or an ETF, their *pro rata* portion of such mutual fund's or ETF's expenses, including management fees.

Small- and Mid-Cap Companies. The PointState Funds may invest their assets in securities of small- and mid-cap companies. While PointState believes such companies provide significant potential for appreciation, such securities are perceived to involve higher risks in some respects than do investments in the securities of larger companies. For example, small- and mid-cap companies may have more limited product lines, markets and financial and other resources and they may depend upon a limited or less experienced management group. As a result, such companies may be more vulnerable to general economic trends and to specific changes in markets and technology.

In addition, in many instances, the frequency and volume of their trading may be substantially less than would be typical of larger companies (among other reasons, due to only limited coverage by securities analysts). The PointState Funds may reach a significant level of ownership in its portfolio companies, including its small- or mid-cap portfolio companies. As such, when making large sales, the PointState Funds may have to sell portfolio holdings at discounts from quoted prices or may have to make a series of small sales over an extended period of time due to the lower trading volumes of smaller company securities. The PointState Funds may also be required to deal with only a few market makers when purchasing and selling these securities. In addition, these securities may be traded only on the OTC (as defined below) markets or on a regional securities exchange and may not be traded daily or in the volume typical of trading on a national securities exchange. This somewhat greater illiquidity of investments in small- and mid-cap companies could make it difficult for the PointState Funds to react quickly to negative economic or political developments. Transaction costs in small- and mid-cap company stocks may be higher than those for larger-capitalized companies.

Derivatives Generally. The PointState Funds may utilize both exchange-traded and over-the-counter ("OTC") derivative securities and instruments in order to gain exposure to the value of Financial Instruments. Derivative securities and instruments, or "derivatives," include securities, instruments and contracts that are derived from and are valued in relation to one or more underlying securities, financial benchmarks or indices. Derivatives typically allow an investor to hedge or speculate on the price movements of a particular security, financial benchmark or index at a fraction of the cost of acquiring, borrowing or selling short the underlying asset. The value of a derivative depends largely upon price movements in the "referenced" (or "underlying") asset. Therefore, many of the risks applicable to trading the underlying asset are also applicable to derivatives trading. However, there are a number of additional risks associated with derivatives trading. Transactions in certain derivatives are subject to clearance on a U.S. registered clearinghouse or exchange and to regulatory oversight, while other derivatives are subject to the risks of trading in OTC markets, via "pink sheets" or on non-U.S. clearinghouses or exchanges. In

such instances, the PointState Funds' assets are subject to the risk of the failure of any of the exchanges on which its positions trade or of its clearinghouses or counterparties. Derivative instruments are highly volatile, involve certain special risks and expose investors to a high risk of loss. Price movements of futures and options contracts and payments pursuant to swap agreements 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. The value of futures, options and swap agreements also depends upon the price of the commodities or other referenced assets underlying them. The initial margin deposits normally required to establish a position in such instruments may be small relative to the related position and may permit a high degree of leverage. As a result, depending on the type of instrument, a relatively small movement in the price of a contract may result in a profit or a loss which is high in proportion to the amount of funds actually placed as initial margin and may result in further losses exceeding any margin deposited. Contractual asymmetries and inefficiencies can also increase risk, such as break clauses, whereby a counterparty can terminate a transaction on the basis of a certain reduction in net asset value of the PointState Funds, incorrect collateral calls or delays in collateral recovery. The PointState Funds may also sell covered and uncovered options on securities. To the extent that such options are uncovered, the PointState Funds could incur an unlimited loss. Additional risks associated with derivatives trading include:

- *Tracking.* When used for hedging purposes, an imperfect or variable degree of correlation between price movements of the derivatives and the underlying investment sought to be hedged may prevent the PointState Funds from achieving the intended hedging effect or expose the PointState Funds to risk of loss. If the PointState Funds invest in derivatives at inopportune times or incorrectly judge market conditions, the investments may lower the return of the PointState Funds or result in a loss. The PointState Funds also could experience losses if derivatives are poorly correlated with their other investments.
- *Liquidity.* Derivatives, especially when traded in large amounts, may not be liquid in all circumstances, so that in volatile markets the PointState Funds may not be able to close out a position without incurring a loss. In addition, daily limits on price fluctuations and speculative position limits on exchanges on which the PointState Funds may conduct their transactions in derivatives may prevent profitable liquidation of positions, subjecting the PointState Funds to the potential of greater losses. The market for many derivatives is, or suddenly can become, illiquid, which may result in significant, rapid and unpredictable changes in the prices for derivatives.
- *Leverage.* Trading in derivatives may involve significant leverage. Thus, the leverage offered by trading in derivatives will magnify the gains and losses experienced by the PointState Funds and could cause the PointState Funds' net asset value to be subject to wider fluctuations than would be the case if the PointState Funds did not use the leverage feature of derivatives.

Over-the-Counter and Derivatives Trading. Derivatives that may be purchased or sold by the PointState Funds may include securities and instruments not traded on an exchange or cleared by a central clearinghouse. The risk of nonperformance by the obligor on such security or instrument may be greater than, and the ease with which the PointState Funds can dispose of or enter into closing transactions with respect to such security or instrument may be less than, the risk associated with an exchange traded or centrally cleared security and instrument. In addition, significant disparities may exist between "bid" and "ask" prices for derivatives that are not traded on an exchange. Derivatives not traded on exchanges or cleared by registered clearinghouses also are generally not subject to the same type of government regulation as exchange traded or centrally cleared securities and instruments and many of the protections afforded to participants in a regulated environment may not be available in connection with such transactions. For example, there is no limitation on daily price movements on these instruments. The principals dealing in these markets are also not required to continue to make markets 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 contracts or have quoted prices with unusually wide spreads between the prices at which they were prepared to buy and those at which they were prepared to sell. Market illiquidity or disruption could result in significant losses to the PointState Funds.

The PointState 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 deemed by PointState to be consistent with the investment objective of the PointState Funds. Special risks may apply to instruments that are invested in by the PointState Funds in the future that cannot be determined at this time or until such instruments are developed or invested in by the PointState Funds.

Swap Transactions. The PointState Funds engage in swap transactions. Currency swaps involve the exchange of cash flows on a notional amount of two or more currencies based on their relative future values. Interest rate swaps involve the exchange of cash flows on a notional amount of two or more interest rates based on their relative future levels. An equity swap is an agreement to exchange streams of payments computed by reference to a notional amount based on the performance of a basket of stocks, single stock or index. A credit default swap is an agreement whereby one party makes regular premium payments based on a notional amount of a specified reference obligation to the other party, who provides protection upon the occurrence of certain specified credit events with respect to the issuer of such reference obligation. The PointState Funds will usually enter into swaps on a net basis; *i.e.*, the two payment streams are netted out in a cash settlement on the payment date or dates specified in the agreement. The PointState Funds receives or pays, as the case may be, only the net amount of the two payments. The PointState Funds may employ swaps for speculative purposes, such as to obtain the price performance of a security without purchasing it in cases where the security is illiquid, unavailable for direct investment or available only on less attractive terms.

The Dodd-Frank Act includes provisions that comprehensively regulate the OTC derivatives markets for the first time, including the swap markets.

The Dodd-Frank Act and regulations implementing the Dodd-Frank Act mandate that certain OTC derivatives must be submitted for clearing to regulated clearinghouses. OTC trades submitted for clearing are subject to minimum initial and variation margin requirements set by the relevant clearing member and clearinghouse. The regulators also have broad discretion to impose margin requirements on non-cleared OTC derivatives and new requirements on holding of customer collateral by OTC derivatives dealers. As of December 16, 2015, the regulators have finalized margin requirements for non-cleared OTC derivatives, but these regulations are not yet in effect. These requirements may increase the amount of collateral the PointState Funds are required to provide and the costs associated with providing it. Although the Dodd-Frank Act includes limited exemptions from the clearing and margin requirements for certain “end-users,” the PointState Funds do not expect to be able to rely on such exemptions. In addition, the OTC derivative dealers with which the PointState Funds execute the majority of their OTC derivatives will be subject to clearing and margin requirements irrespective of whether the PointState Funds are subject to such requirements. OTC derivative dealers also will be required to post margin to the clearinghouses through which they clear their customers’ trades instead of using such margin in their operations, as is currently permitted. This will increase the OTC derivative dealers’ costs, and these increased costs are expected to be passed through to other market participants in the form of higher margin requirements, less favorable trade pricing, and the possible imposition of new or increased fees.

The SEC and/or U.S. Commodity Futures Trading Commission (“CFTC”) may also require certain derivative transactions that are currently executed on a bilateral basis in the OTC markets to be executed

through a regulated securities, futures, swap exchange or execution facility. Such requirements may make it more difficult and costly for investment funds, including the PointState Funds, to enter into tailored or customized transactions. They may also render certain strategies in which the PointState Funds might otherwise engage impossible, or so costly that they will no longer be economical to implement.

OTC derivative dealers and major OTC derivatives market participants are required to register with the SEC and/or CFTC. Although neither the PointState Funds nor PointState are required to register as a dealer or major participant in the OTC derivatives markets, it is possible that going forward, the PointState Funds and/or PointState may be required to be registered as a dealer or major participant. Registered OTC derivatives dealers and major participants are subject to a number of regulatory requirements, including minimum capital and margin requirements. These requirements may apply irrespective of whether the derivatives in question are OTC derivatives, exchange-traded or cleared. OTC derivatives dealers will also be subject to new business conduct standards, disclosure requirements, reporting and recordkeeping requirements, transparency requirements, position limits, limitations on conflicts of interest and other regulatory burdens. These requirements may further increase the overall costs for OTC derivative dealers, which costs are also likely to be passed along to market participants. The overall impact of the Dodd-Frank Act on the PointState Funds is highly uncertain and it is unclear how the OTC derivatives markets will adapt to this new regulatory regime.

Although the Dodd-Frank Act will require many OTC derivative transactions previously entered into on a principal-to-principal basis to be submitted for clearing by a regulated clearinghouse, certain of the derivatives that may be traded by the PointState Funds may remain OTC or principal-to-principal contracts entered into privately by the PointState Funds and third parties. The risk of counterparty nonperformance can be significant in the case of these OTC instruments, and “bid-ask” spreads may be unusually wide in these heretofore substantially unregulated markets. While the Dodd-Frank Act is intended in part to reduce these risks, its success in this respect may not be evident for some time after the Dodd-Frank Act is fully implemented, a process that may take several years or more.

The European Market Infrastructure Regulation similarly seeks to comprehensively regulate the OTC derivatives market in Europe for the first time including, in particular, by imposing mandatory central clearing, trade reporting and, for non-centrally cleared trades, risk management obligations on counterparties. Taken together, these regulatory developments may increase the OTC derivative dealers’ costs, and these increased costs are expected to be passed through to other market participants in the form of higher margin requirements, less favorable trade pricing and possible new or increased fees.

Stock Index Options. The PointState Funds may purchase and sell call and put options on stock indices listed on securities exchanges or traded in the OTC market. A stock index fluctuates with changes in the market values of the stocks included in the index. Because the value of an index option depends upon movements in the level of the index rather than the price of a particular stock, whether the PointState Funds will realize gains or losses from the purchase or writing of options on indices depends upon movements in the level of stock prices in the stock market generally or, in the case of certain indices, in an industry or market segment, rather than movements in the price of particular stocks. Accordingly, successful use by the PointState Funds of options on stock indices will be subject to PointState’s ability to predict correctly movements in the direction of the stock market generally or of particular industries or market segments. These predictions require different skills and techniques from predicting changes in the price of individual stocks.

Futures Contracts Risks. The PointState Funds may purchase and sell futures contracts. The principal risks associated with investing in futures contracts are described below.

- *Volatility.* Futures prices are highly volatile. The average initial margin deposit on the PointState Funds' futures trades will generally be less than 10% of the value of the contract. Because of the low margin deposits normally required in futures trading, an extremely high degree of leverage is typical of a futures trading account. As a result, a relatively small price movement in a futures contract may result in substantial losses to the PointState Funds. Like other leveraged investments, any purchase or sale of a futures contract may result in losses that exceed the amount invested. Relatively small futures positions have the potential to significantly erode or erase the PointState Funds' gains in other investments.
- *Margin Requirements.* Margin requirements for commodities trading may vary significantly and are likely to impact the PointState Funds' volatility and performance.
- *Daily Price Fluctuation Limits.* Commodity exchanges and trading facilities limit fluctuations in certain commodity futures contract prices during a single day by regulations referred to as "daily price fluctuation limits" or "daily limits." During a single trading day, no trades may be executed at prices beyond the daily limit. Once the price of a futures contract for a particular commodity has increased or decreased by an amount equal to the daily limit, positions in the commodity cannot be taken or liquidated unless traders are willing to effect trades at or within the limit. Commodity futures prices have occasionally moved to the daily limit for several consecutive days with little or no trading. This could prevent the prompt liquidation of unfavorable positions and subject the PointState Funds to substantial losses.
- *Possible Effects of Speculative Position Limits.* Since 2013, the CFTC has proposed a number of rules that could establish specific limits on positions in various commodity futures and option contracts, as well as swaps that are economically equivalent to such contracts (in addition to any applicable position limits already in force). Additionally, certain exchanges and trading facilities have established "speculative position limits" on the maximum net long or net short positions that any person may hold or control in particular commodities. All futures positions held by all accounts owned or controlled by PointState and its principals will be aggregated with the PointState Funds' positions for purposes of determining compliance with these limits. Trading instructions may have to be modified and the PointState Funds' positions may need to be liquidated to avoid exceeding these limits. These actions could adversely affect the PointState Funds' operations and profitability. As noted above, certain proposed legislation could limit the trading of speculators (such as the PointState Funds) in the futures markets.
- *Highly Speculative Investments.* Commodity futures trading is highly speculative.
- *Stock Index Futures.* The price of stock index futures contracts may not correlate with the movement in the underlying stock index because of certain market distortions. First, all participants in the futures market are subject to margin deposit and maintenance requirements. Rather than meeting additional margin deposit requirements, market participants may close futures contracts through offsetting transactions that would distort the normal relationship between the index and futures markets. Second, from the point of view of speculators, the deposit requirements in the futures market are less onerous than margin requirements in the securities market. Therefore, increased participation by speculators in the futures market also may cause price distortions. Successful use of stock index futures contracts by the PointState Funds also is subject to PointState's ability to predict correctly movements in the direction of the market.

Synthetic Assets; Credit Default Swaps. The PointState Funds may enter into credit default swaps or acquire credit-linked notes secured by credit default swaps for, among other reasons, the purpose of implementing PointState's view that a particular credit or group of credits, will experience credit



improvement or deterioration or to pursue other investment strategies. In the case of expected credit improvement, the PointState Funds may “write” or “sell” credit default protection in exchange for a fixed premium or spread income. The PointState Funds may also “purchase” credit default protection even in the case in which they do not own the referenced obligation if, in the judgment of PointState, there is a likelihood of credit deterioration. Swap transactions dependent upon credit events are priced incorporating many variables including the pricing and volatility of the underlying Reference Obligation (as defined below) and potential loss upon default, among other factors. As such, there are many factors upon which market participants may have divergent views.

Specifically, the PointState Funds may acquire exposure to the risk of certain Financial Instruments synthetically through products such as credit default swaps, total return swaps, credit linked notes, structured notes, trust certificates and other derivative instruments (each, a “Synthetic Asset”). A Synthetic Asset can take many forms, including a credit derivative transaction that references a specific Financial Instrument, or a credit derivative transaction that references a portfolio or index of reference obligations consisting of multiple Financial Instruments (each, a “Reference Obligation”).

Exposure to Reference Obligations through Synthetic Assets presents risks in addition to those resulting from direct purchases of the assets referenced. The PointState Funds will have a contractual relationship only with the Synthetic Asset counterparty and not with the issuer(s) (the “Reference Entity”) of the Reference Obligations. Unless a termination (in whole or in part) of the contract prior to such contract’s scheduled maturity date (in the event of a credit event) occurs with respect to any such Reference Obligation, physical settlement applies and the Synthetic Asset counterparty delivers the Reference Obligation to the PointState Funds. Other than in the event of such delivery, the PointState Funds generally will have no direct right to enforce compliance by the Reference Entity with the terms of any such Reference Obligation and the PointState Funds will not have any rights of set-off against the Reference Entity. In addition, the PointState Funds generally will not have any voting or other consensual rights of ownership with respect to the Reference Obligation. The PointState Funds also will not directly benefit from any collateral supporting the Reference Obligation and will not have the benefit of the remedies that would normally be available to a holder of such Reference Obligation.

Where the PointState Funds are “purchasers” of credit default protection and no credit event occurs, the PointState Funds will lose their investment and recover nothing. However, if a credit event occurs, the PointState Funds (as purchasers) may receive the notional value of the Reference Obligation from the Synthetic Asset counterparty even if the Reference Obligation has little or no value.

In the event of the bankruptcy or insolvency of the Synthetic Asset counterparty, the PointState Funds will be treated as a general unsecured creditor of such counterparty, and will not have any claim of title with respect to the Reference Obligation. Consequently, the PointState Funds will be subject to the credit risk of the Synthetic Asset counterparty, as well as that of the Reference Entity. As a result, concentrations of Synthetic Assets entered into with any one Synthetic Asset counterparty will subject the PointState Funds to an additional degree of risk with respect to defaults by such Synthetic Asset counterparty as well as by the respective Reference Entities. Where the PointState Funds are the purchasers of credit default protection, the PointState Funds are exposed to the risk that the Synthetic Asset counterparty may fail to satisfy its payment obligation to the PointState Funds following a credit event. The failure of a Synthetic Asset counterparty to perform may cause the PointState Funds’ hedging strategies, to the extent that they involve the purchase of credit default protection, to be less effective or ineffective.

Trading Cash Commodities. The PointState Funds may from time to time trade physical or cash commodities for immediate or deferred delivery. Such contracts may differ from each other with respect to terms such as quantity, grade, mode of shipment, terms of payment, penalties and risk of loss. There is

no limit on daily price movements of cash commodities and banks, brokerage firms and dealers in cash commodities are not required to continue to make markets in any commodity. Importantly, the CFTC does not comprehensively regulate cash transactions, which are subject to the risk of the foregoing entities' failure, inability or refusal to perform with respect to such contract. Furthermore, at times, certain market makers have refused to quote prices for cash commodities or forward contracts or have quoted prices with an unusually wide spread between the price at which they are prepared to buy and sell. If this occurs, PointState may be unable to effectively use its cash and forward trading programs and the PointState Funds could experience significant losses.

Co-Investments with Third Parties. The PointState Funds have invested and may in the future co-invest with third parties through joint ventures or other entities. Such investments involve risks in connection with such third-party's involvement, including the possibility that a third-party co-venturer may have financial difficulties resulting in a negative impact on such investment, may have economic or business interests or goals that are inconsistent with those of the Funds or may be in a position to take (or block) action in a manner contrary to the PointState Funds' investment objective. In circumstances where such third parties involve a management group, such third parties may enter into compensation arrangements relating to such investments, including incentive compensation arrangements. Such compensation arrangements will reduce the returns to participants in the investments and create potential conflicts of interest between such parties and the Funds. Based on the compensation structure or composition of investors participating in such co-investment opportunities, the PointState Group may be biased when determining the capacity of the Funds with respect to certain investments.

Equity Financial Instruments. The PointState Funds may invest in equities and equity derivatives. The value of these Financial Instruments generally will vary with the performance of the issuer and movements in the equity markets and may also be subject to various types of risks, including market risk, liquidity risk, counterparty credit risk, legal risk and operational risk.

The PointState Funds may suffer losses if they invest in equity instruments of issuers whose performance diverges from PointState's expectations or if general market conditions not specifically related to any particular equity investment of the PointState Funds move in a single direction and the PointState Funds has not hedged against such a general move. Market prices may decline as a result of, among other things, real or perceived adverse economic conditions, changes in the general outlook for corporate earnings, changes in interest or currency rates or adverse investor sentiment generally.

Further, equity investments may be even more susceptible to such events given their subordinated position in the issuer's capital structure. As such, equity investments generally have greater price volatility than fixed income and other investments with a scheduled stream of payments and the market price of equity investments is more susceptible to moving up or down in a rapid or unpredictable manner.

The PointState Funds may also be exposed to risks that issuers will not fulfill contractual obligations such as, in the case of convertible Financial Instruments or private placements, delivering marketable common stock upon conversions of convertible Financial Instruments and registering restricted Financial Instruments for public resale.

Preferred Stock. Preferred stock generally has a preference as to dividends and upon the event of liquidation over an issuer's common stock, but it ranks junior to debt securities in an issuer's capital structure. Preferred stock generally pays dividends in cash (or additional shares of preferred stock) at a defined rate, but unlike interest payments on debt securities, preferred stock dividends are payable only if declared by the issuer's board of directors. Preferred stock may also be subject to optional or mandatory redemption provisions.

Call Options. The PointState Funds may incur risks associated with the sale and purchase of call options. The seller (writer) of a call option that is covered (*i.e.*, the writer holds the underlying Financial Instrument) assumes the risk of a decline in the market price of the underlying Financial Instrument below the purchase price of the underlying Financial Instrument less the premium received and gives up the opportunity for gain on the underlying Financial Instrument 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 Financial Instrument above the exercise price of the option. The Financial Instruments 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 Financial Instruments to cover the exercise of an uncovered call option can cause the price of the Financial Instruments 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. The PointState Funds may incur risks associated with the sale and purchase of put options. The seller (writer) of a put option which is covered (*i.e.*, the writer has a short position in the underlying Financial Instrument) assumes the risk of an increase in the market price of the underlying Financial Instrument above the sales price (in establishing the short position) of the underlying Financial Instrument plus the premium received and gives up the opportunity for gain on the underlying Financial Instrument 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 Financial Instrument 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.

Margin Borrowings. Whenever the PointState Funds use financing extended by broker-dealers to leverage their portfolio, it may be subject to changes in the value that broker-dealers ascribe to a given Financial Instrument, the amount of margin required to support such Financial Instrument, the borrowing rate to finance such Financial Instrument and/or such broker-dealers' willingness to continue to provide any such credit to the PointState Fund. The PointState Funds could be forced to liquidate their portfolio on short notice to meet their financing obligations. The forced liquidation of all or any portion of the PointState Fund's portfolio at distressed prices could result in significant losses to the PointState Fund.

In particular, the PointState Funds could be subject to a "margin call," pursuant to which the PointState Funds would be required either to deposit additional funds or Financial Instruments with the broker-dealer or suffer mandatory liquidation of the pledged Financial Instruments to compensate for the decline in value. In the event of a sudden drop in the value of the PointState Fund's assets, the PointState Funds might not be able to liquidate assets quickly enough to satisfy their margin requirements.

Unlisted Financial Instruments. Unlisted Financial Instruments may involve higher risks than listed Financial Instruments. Because of the absence of any trading market for unlisted Financial Instruments, it may take longer to liquidate, or it may not be possible to liquidate, positions in unlisted Financial Instruments than would be the case for publicly-traded Financial Instruments. Companies whose Financial Instruments are not publicly-traded may not be subject to public disclosure and other investor protection requirements applicable to publicly-traded Financial Instruments.

Distressed Financial Instruments. The PointState Funds invest in distressed Financial Instruments and obligations of U.S. and non-U.S. issuers experiencing significant financial or business difficulties, including issuers involved in bankruptcy or other reorganization and liquidation proceedings. Although such investments may result in significant returns to the PointState Funds, they involve a substantial degree of risk. Any one or all of the issuers of the Financial Instruments and obligations in which the PointState Funds invest may be unsuccessful or not show any return for a considerable period of time. The level of analytical sophistication, both financial and legal, necessary for successful investment in issuers

experiencing significant business and financial difficulties is unusually high. There can be no assurance that PointState will correctly evaluate the value of an issuer's assets or the prospects for a successful reorganization or similar action. In any reorganization or liquidation proceeding relating to an issuer in which the PointState Funds invest, the PointState Funds may lose their entire investments, may be required to accept cash or Financial Instruments with a value less than their original investments, and/or may be required to accept payment over an extended period of time. Under such circumstances, the returns generated from the PointState Funds' investments may not compensate the investors adequately for the risks assumed.

Troubled issuer and other asset-based investments require active monitoring and may, at times, require participation in business strategy or reorganization proceedings by PointState. To the extent that PointState, on behalf of the PointState Funds, becomes involved in such proceedings, PointState, on behalf of the PointState Funds, may have a more active participation in the affairs of the issuer than that assumed generally by an investor. In addition, involvement by PointState in an issuer's reorganization proceedings could result in the imposition of restrictions that limit the PointState Funds' ability to liquidate their position in the issuer or to hedge their exposure.

Mezzanine Loans. The investment portfolio of the PointState Funds may include mezzanine loans. A mezzanine loan is a privately negotiated, high yield and often unsecured subordinated debt obligation of an issuer that is unrated or rated below investment grade, the payments on which obligation often contain a form of equity participation in the issuer. Mezzanine loans typically have greater credit and liquidity risk than loans and are typically less liquid than high-yield bonds. A mezzanine loan may not have any public rating from a rating agency, nor will it have been registered with any securities regulator. Certain key risks of mezzanine loans include the following:

Because there is a very limited secondary market for mezzanine loans, many of the mezzanine loans purchased by the PointState Funds will have no, or only a limited, trading market. Illiquidity in the market for mezzanine loans may restrict the PointState Funds' ability to dispose of investments in a timely fashion and at a favorable price.

Mezzanine loans may become non-performing for a variety of reasons. Issuers of mezzanine loans are likely to be highly leveraged and typically do not have available to them more traditional methods of financing. The risk associated with acquiring the instruments of such issuers generally is greater than is the case with investment grade instruments of corporate issuers. The prices of mezzanine loans are likely to be more sensitive to adverse economic changes or individual corporate developments than investment grade instruments of corporate issuers. The risk of loss due to default by the issuer is significantly greater for the holders of mezzanine loans because such instruments often are unsecured and subordinated to other creditors of the issuer of such instruments. In addition, due to the subordinated nature of the mezzanine loans, the PointState Funds' rights under, and their recovery on, the mezzanine loan may be severely limited if the issuer of the mezzanine loan becomes the subject of bankruptcy or insolvency proceedings. Furthermore, the PointState Funds may incur additional expenses to the extent they are required to bring litigation in order to seek recovery upon a default on a mezzanine loan or participate in the restructuring of such obligation.

Bank Loans and Participations. The PointState Funds' investment program may include significant amounts of bank loans and participations. These obligations are subject to unique risks, including: (i) the possible invalidation of an investment transaction as a "fraudulent conveyance" under relevant creditors' rights laws; (ii) so-called "lender liability" claims by the issuer of the obligations; (iii) environmental liabilities that may arise with respect to collateral securing the obligations; and (iv) limitations on the PointState Funds' ability to enforce their rights directly with respect to participations. In analyzing each bank loan or participation, PointState compares the relative significance of the risks against the expected

benefits. Successful claims by third parties can adversely impact the PointState Funds and their performance.

Risks Associated with Investing in Companies in Bankruptcy. Many of the events within a bankruptcy case are adversarial and often beyond the control of the creditors. While creditors generally are afforded an opportunity to object to significant actions, there can be no assurance that a bankruptcy court would not approve actions that are contrary to the PointState Funds' interests. Furthermore, there are instances where creditors and equity holders lose their ranking and priority as such if they are considered to have taken over management and functional operating control of a debtor.

Generally, the duration of a bankruptcy case can only be roughly estimated. The reorganization of a company usually involves the development and negotiation of a plan of reorganization, plan approval by creditors and confirmation by the bankruptcy court. This process generally involves substantial legal, professional and administrative costs to the company and the PointState Funds and is subject to unpredictable and lengthy delays. In addition, during the process, the company's competitive position may erode, key management may depart and the company may not be able to invest adequately. In some cases, the company may not be able to reorganize and may be required to liquidate assets. Although the PointState Funds intend to invest primarily in debt, the debt of companies in financial reorganization will in most cases not pay current interest, may not accrue interest during reorganization and may be adversely affected by an erosion of the issuer's fundamental values. Such investments can result in a total loss of principal.

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

Restricted Financial Instruments. The PointState Funds may purchase Financial Instruments in connection with privately negotiated transactions (e.g., under Rule 144A) that are not registered under relevant securities laws ("Restricted Financial Instruments"). Restricted Financial Instruments cannot be sold to the public without registration under the Securities Act. Unless registered for sale, restricted Financial Instruments can be sold only in privately negotiated transactions or pursuant to an exemption from registration (e.g., under Rule 144A). Corporate debt securities, mortgage-backed securities, bank loans, mezzanine investments and certain other investments that may be purchased and sold are traded in private, unregistered transactions and subject to restrictions on resale. Although these Financial Instruments may be resold in privately negotiated transactions, because there is less liquidity for these Financial Instruments, the market prices for these Financial Instruments may be volatile and prices realized from these sales could be less than those originally paid by the PointState Funds. If the PointState Funds are required to liquidate all or any portion of their portfolio quickly, the PointState Funds may realize significantly less than the value at which it previously recorded those investments. Even those Restricted Financial Instruments with respect to which PointState expects relatively high liquidity can experience periods, possibly extended periods, of illiquidity. Companies whose Financial Instruments are not publicly traded may not be subject to public disclosure and other investor protection requirements applicable to publicly traded Financial Instruments. Restricted Financial Instruments may involve a high degree of business and financial risk which may result in substantial losses.

Convertible Securities. Convertible securities are stocks or other Financial Instruments that may be converted into or exchanged for a specified amount of a security of the same or different issuer within a particular period of time at a specified price or formula and may be subject to contractual conditions that impact the convertible nature of the convertible security.

The value of a convertible security is a function of its “investment value” (determined by its yield in comparison with the yields of other securities of comparable maturity and quality that do not have a conversion privilege) and its “conversion value” (the security’s worth, at market value, if converted into the underlying common stock). The investment value of a convertible security is influenced by changes in interest rates, with investment value declining as interest rates increase and increasing as interest rates decline. The credit standing of the issuer and other factors may also have an effect on the convertible security’s investment value. The conversion value of a convertible security is generally determined by the market price of the underlying common stock. If the conversion value is low relative to the investment value, the price of the convertible security is governed principally by its investment value. To the extent the market price of the underlying common stock approaches or exceeds the conversion price, the price of the convertible security will be increasingly influenced by its conversion value. A convertible security generally will sell at a premium over its conversion value by the extent to which investors place value on the right to acquire the underlying common stock while holding a fixed-income security. Generally, the amount of the premium decreases as the convertible security approaches maturity.

A convertible security may be subject to redemption at the option of the issuer at a price established in the convertible security’s governing instrument. If a convertible security held by the PointState Funds are called for redemption, the PointState Funds will be required to permit the issuer to redeem the security, convert it into the underlying common stock or sell it to a third party. Any of these actions could have an adverse effect on the PointState Funds’ ability to achieve their investment objective.

**ITEM 9**  
**DISCIPLINARY INFORMATION**

There are no legal or disciplinary events that are material to a client's, prospective client's, investor's or prospective investor's evaluation of PointState's advisory business or the integrity of PointState's management.

**ITEM 10**  
**OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS**

A. Broker-Dealer Registration Status.

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

B. Futures Commission Merchant, Commodity Pool Operator or Commodity Trading Adviser Registration Status.

PointState has been registered with the CFTC since 2013 as a Commodity Pool Operator and is a member of the NFA. Zachary Schreiber, Chief Executive Officer, Chairman and Chief Investment Officer, and Joshua Samuelson, President, are registered with the NFA as associated persons and principals of PointState and Alfred Barbagallo, General Counsel, Bradley Sanford, Chief Financial Officer, and Brian Holmes, Chief Compliance Officer, are also registered with the NFA as principals of PointState.

PointState and its management persons are not registered as, and do not have any application pending to register as, futures commission merchants or commodity trading advisors or as associated persons of the foregoing entities.

C. Material Relationships or Arrangements with Other Industry Participants.

PointState Capital LP or its “Relying Adviser,” PointState Argentum LLC, serves as the investment manager of each PointState Fund. As noted in Item 4 (Advisory Business) above, certain affiliates of PointState (*i.e.*, the General Partner Entities) serve in a general partner capacity of certain PointState Funds. In reliance on the SEC’s no action letter to the American Bar Association dated January 18, 2012, the General Partner Entities are relying on PointState’s registration with the SEC and are not submitting separate Forms ADV.

PointState evaluates any material conflicts of interest presented by any proposed relationship or arrangement it contemplates with a service provider, broker or similar party that has a material business relationship with the PointState Funds to ensure that the transaction or arrangement is fair and equitable to the investors in the PointState Funds, and PointState reviews any such arrangement on an ongoing basis thereafter to ensure continued benefit to the PointState Funds and their investors. Except as described in the paragraph immediately below, neither PointState nor any of its management persons currently has any such relationship.

The PointArgentum Funds hold direct and indirect investments in real estate, energy and construction companies that may from time to time provide services to the PointArgentum Funds and their affiliates and may in the future hold investments in other portfolio companies that provide services to the PointArgentum Funds and their affiliates. These relationships may pose conflicts of interest.

Certain employees of PointState may have familial and other relationships with investors in, or service providers to, the PointState Funds or with employees of issuers in which the PointState Funds invest. PointState reviews such relationships to identify and address any conflicts.

Certain employees of PointState serve as members of a board of directors (or a functional equivalent) of companies or other entities.



D. Material Conflicts of Interest Relating to Other Investment Advisers.

Certain of the PointState Funds have made investments in the PointArgentum Funds, which are managed by PointState Argentum LLC (the “PA Investments”), a “Relying Adviser” of PointState. This potential conflict is evaluated on an ongoing basis by PointState’s management and are addressed, in part, by the fact that the PA Investments are not subject to any management fees or carried interest/incentive allocation imposed by PointState Argentum LLC, the applicable General Partner Entity..

PointState does not receive compensation directly or indirectly from any other investment advisers that PointState recommends or selects for its clients and does not have other business relationships with those advisers that create a material conflict of interest.

Additional information about PointState’s affiliate relationships and other matters addressed in Item 10 (Other Financial Industry Activities And Affiliations) can be found in the Offering Memorandum and constituent documents of the relevant PointState Fund.

**ITEM 11**  
**CODE OF ETHICS, PARTICIPATION OR INTEREST**  
**IN CLIENT TRANSACTIONS AND PERSONAL TRADING**

A. Code of Ethics.

PointState holds a position of trust and confidence with respect to its clients and owes those clients a fiduciary duty to place their interests before the interests of PointState, its affiliates and their respective employees. To help meet these fiduciary obligations, and consistent with SEC Rule 204A-1, PointState has adopted a Code of Ethics (the “Code”). The Code incorporates certain general principles, which apply to:

- every managing director, principal, partner or officer (or any person performing similar functions) or employee of PointState; and
- every natural person (whether or not an employee of PointState) who is subject to the PointState’s supervision and control who (i) has access to nonpublic information regarding a client’s purchase or sale of securities, (ii) who is involved in making securities recommendations to a client or (iii) who has access to securities recommendations to a client that are nonpublic,

(herein referred to as “PointState Personnel”)

These principles include, but are not limited to, the following:

- It is generally improper for PointState or PointState Personnel to:
  - Use for their own benefit (or the benefit of anyone other than a client) information about PointState’s trading or investment recommendations for a client; or
  - Take advantage of investment opportunities that would otherwise be available to a client.
- All PointState Personnel must promptly report to PointState’s General Counsel or Chief Compliance Officer or designee any actual or potential conflicts of interest, violations of any government or regulatory law, rule or regulation or violations of PointState’s policies and procedures by any employee (including, but not limited to, the reporting employee) or service providers including, without limitation, the Code.
- PointState Personnel must comply with applicable U.S. federal securities laws at all times.
- All PointState Personnel must adhere strictly to PointState’s “Transaction Restrictions” policy, which is restrictive and is designed to avoid any actual or potential conflicts of interest or any abuse of PointState’s positions of trust and responsibility.
- All PointState Personnel must adhere strictly to PointState’s “Reporting Obligations” policy.

PointState believes these general principles not only help us fulfill our fiduciary obligations, but also instill in all PointState Personnel the firm’s commitment to honesty, integrity and professionalism. PointState Personnel are instructed that these general principles apply to all conduct, whether or not the conduct is also covered by more specific standards or procedures, and that failure to comply with the Code may result in disciplinary action, including termination of employment. All PointState Personnel are

required to certify, at least annually, that they have read and understand the Code. PointState Personnel also are required to report violations of the Code and PointState has procedures in place to address such reports as appropriate.

The following summarizes how personal trading is addressed in the Code.

*1. Restrictions on Personal Trading by PointState Personnel.*

Subject to certain limited exceptions, all PointState Personnel and members of their families/households are prohibited from effecting securities transaction in accounts in which they or their families/households have direct or indirect beneficial ownership or control.

The limited exceptions to the policy's trading restrictions fall into two categories.

The first is for certain transactions or Financial Instruments, the purchase or sale of which is permitted without pre-approval. These transactions or Financial Instruments are: (a) digital currency, (b) investment grade municipal Financial Instruments, (c) annuities, (d) precious metals (*i.e.* physical gold or silver), (e) covered Financial Instruments issued or guaranteed by any national government that is a member of the Organization for Economic Cooperation and Development, or any agency or authority thereof, (f) transactions that occur by operation of law or under any other circumstance in which neither PointState Personnel or members of their families/households exercise any discretion to buy or to sell or make recommendations to a person who exercises such discretion, (g) purchases of covered Financial Instruments pursuant to an automatic investment plan and (h) purchases pursuant to the exercise of rights issued pro rata to all holders of any class of covered Financial Instruments and received by PointState Personnel or members of their families/households from the issuer.

The second exception is for certain types of transactions that may be permitted, but only after pre-approval from PointState's Chief Compliance Officer. These transactions are (a) closing transactions in covered Financial Instruments that were purchased prior to the PointState Personnel's effective date of employment or business relationship with PointState; and (b) the acquisition by PointState Personnel or members of their family/household of (i) a beneficial ownership in a private placement or (ii) any Financial Instrument in an initial public offering.

When pre-approval is sought, PointState's Chief Compliance Officer will analyze whether the investment is appropriate in light of PointState's fiduciary duty to its clients. Among other things, he may determine whether a publicly-traded Financial Instrument is being actively considered by PointState for the investment purposes of a client or whether the investment would otherwise not be permissible (*e.g.*, if a private investment opportunity is one that should be offered to one or more clients ahead of, or rather than, the employee seeking to make the investment). Records are maintained of requests for pre-approval as well as whether the request was approved or denied.

In furtherance of this personal trading policy, PointState requires all PointState Personnel to disclose to the Chief Compliance Officer all of their investment holdings within ten days of their joining PointState or otherwise becoming covered by the Code, as well as to identify all of the brokerage accounts in which they or a member of their family/household have direct or indirect beneficial ownership or control. PointState Personnel must also provide PointState with timely records of any transactions in such accounts. PointState collects this information through an automated system that permits the Chief Compliance Officer (or a designee) to review and monitor account transaction activity regularly. In some instances, it is necessary for PointState to collect this information through paper brokerage account statements instead of its automated system. In addition, PointState Personnel must complete a quarterly certification regarding their personal trading activities and complete an annual holdings report.

2. Prohibition on Outside Business Pursuits.

PointState Personnel are required to devote their full working time and attention to their professional duties and responsibilities at PointState or its applicable affiliate. As a result, PointState Personnel may not engage in outside business pursuits without prior approval from PointState's Chief Compliance Officer or General Counsel. This prohibition extends to outside affiliations and business activities including, but not limited to: employment by any other firm or enterprise while also being engaged by PointState; serving as an officer, or director or member of a creditors' committee, of any public or private business corporation, including a family business; becoming a partner in a partnership, or establishing or continuing a sole proprietorship; serving as a paid consultant or adviser to any other firm, charitable or business enterprise (whether in exchange for compensation or not); or entering into an investment which will entail active participation in managing the investment's activities or its business.

3. Insider Trading and Market Manipulation.

PointState has adopted policies and procedures designed to prevent insider trading by all PointState Personnel. These policies provide, among other things, that if an employee receives information he or she believes to be material non-public information, the employee must promptly convey such information to the General Counsel or Chief Compliance Officer or designee. The General Counsel, Chief Compliance Officer or designee will evaluate the information and take measures, as appropriate, to prevent dissemination of material, non-public information and to restrict the trading in the relevant security by PointState and PointState Personnel. Further, PointState Personnel may not engage in any conduct intended to manipulate the price of any security or trading market.

4. Gifts and Entertainment.

PointState has adopted policies and procedures regarding the acceptance and offer of gifts, favors, meals, special accommodations and other items of value from or to any person or entity that does or seeks to do business with or on behalf of PointState or is in a position to secure advantages on PointState's behalf. The policy includes pre-approval and reporting procedures that must be followed by all PointState Personnel.

PointState Personnel may accept (or give) a business related gift only if the gift is of *de minimis* value, which for purposes of this policy is less than \$250 per occurrence. Any gift(s) with a greater value must be pre-approved by PointState's General Counsel or Chief Compliance Officer.

PointState Personnel may accept (or provide) business entertainment that an employee reasonably believes is within the normal course of business. Any business entertainment which is believed to be extravagant or outside the normal course of business must be pre-approved by PointState's General Counsel or Chief Compliance Officer.

In furtherance of these policies, PointState periodically reviews a summary of all reported gifts and business entertainment, seeks to identify and review any patterns of provision and/or receipt of gifts and entertainment and to determine whether any actions need to be taken under relevant PointState policies and procedures.

PointState and its employees may be permitted to solicit charitable contributions from business partners if they have notified the compliance department of their intentions to do so and obtained its prior

written consent. PointState may also participate in broker-dealer sponsored charity days, events in which some portion of commissions generated are allocated to one or more charitable organizations.

PointState will provide a copy of the Code to any investor or prospective investor upon request.

B. Securities in which PointState Personnel or a Related Person Has a Material Financial Interest.

As discussed above, with limited exceptions PointState Personnel are not permitted to invest in publicly-traded securities or most other financial instruments in any account in which they have direct or indirect beneficial ownership or control. Nonetheless, because the Code in some circumstances would permit PointState Personnel to hold certain investment positions (*e.g.*, if such positions were held at the time the employee joined the firm, or were thereafter obtained through a gift or bequest), there is a possibility that PointState may recommend to clients the purchase or sale of securities in which PointState Personnel have a financial interest. Under these limited circumstances, the investments of PointState Personnel may differ from, or be contrary to, those taken by the PointState Funds. PointState believes the significant restrictions on personal trading and extensive pre-approval procedures described above are reasonably designed to avoid conflicts of interest and to preserve PointState's ability to discharge the fiduciary duties it owes to its clients.

C. Investing in Securities that PointState Personnel or a Related Person Recommends to Clients.

See Section B immediately above.

D. Contemporaneous Trading.

The pre-approval procedures described in Section A (Code of Ethics) above are designed to eliminate the possibility that PointState Personnel or related persons trade securities that are contemporaneously being bought or sold by PointState Funds.

## **ITEM 12**

### **BROKERAGE PRACTICES**

#### **A. Factors Considered in Selecting or Recommending Broker-Dealers for Client Transactions.**

PointState is authorized to determine the broker or dealer to be used for each financial-instruments transaction of the PointState Funds. PointState places trades for execution for the PointState Funds with broker-dealers on the basis of seeking best execution and in consideration of relevant factors, including, but not limited to, commission rates, reliability, financial responsibility, strength of the broker and the ability of the broker to execute transactions efficiently, the broker's facilities, and the broker's provision or payment of the costs of brokerage and research services that are of benefit to the PointState Funds and PointState. PointState need not solicit competitive bids and does not have an obligation to seek the lowest available commission cost or spread on an absolute basis.

If PointState concludes that the commissions charged by a broker or the spreads applied by a dealer are reasonable in relation to the quality of services rendered by such broker or dealer (including, without limitation, the value of the brokerage and research products or services provided by such broker or dealer), the PointState Funds may pay commissions to or be subject to spreads applied by such broker-dealer in an amount greater than the amount another broker-dealer might charge or apply.

In addition, brokers (including prime brokers) may provide other services that are beneficial to PointState, but not necessarily beneficial to the PointState Funds, including, without limitation, consulting with respect to technology, operations or equipment, capital introduction, marketing assistance, commitment of capital, access to deal flow and other services or items. Such services and items may influence PointState's selection of brokers.

PointState maintains policies and procedures to review the quality of executions, including periodic review by its investment professionals and a Best Execution Committee that generally meets on a quarterly basis.

#### ***1. Research and Other Soft Dollar Benefits.***

The use of commissions or "soft dollars," if any, generated by any PointState Fund through agency and certain riskless principal transactions to pay for brokerage-and research-related products or services will fall within the safe harbor created by Section 28(e) of the Exchange Act ("Section 28(e)"). "Soft dollar" research-related goods and services (collectively, "soft dollar items") used by the applicable General Partner Entity in making investment decisions may include, but are not limited to: research reports on particular industries and companies, economic surveys and analyses, recommendations as to specific securities, certain research services and other goods and services providing lawful and appropriate assistance to PointState in the performance of its investment decision-making responsibilities on behalf of the PointState Funds. In addition, such research services may include invitations to attend conferences or meetings with management teams, security analysts, industry consultants and economists. To the extent that the applicable General Partner Entity does engage in such "soft dollar" arrangements, the PointState Funds may pay commissions to a broker in an amount greater than the amount another broker might charge.

Soft dollar items may be provided directly by brokers and dealers, by third parties at the direction of brokers and dealers or purchased on behalf of the PointState Funds with credits or rebates provided by brokers and dealers. Soft dollars may be generated from over-the-counter principal transactions as well as exchange traded agency transactions. Where a product or service contains both services that fall under Section 28(e) and services that fall outside of Section 28(e) (i.e., a "mixed use" item), PointState will make a reasonable allocation of the cost that is eligible to be paid for with soft dollars. Brokers and dealers

sometimes suggest a level of business they would like to receive in return for the various services they provide. Actual business received by any broker or dealer may be less than the suggested allocations but can (and often does) exceed the suggestions, because total transaction volume is allocated on the basis of all the considerations described above. A broker or dealer will not be excluded from executing transactions for the PointState Funds because it has not been identified as providing soft dollar items.

Under Section 28(e), brokerage- and research-related products or services obtained with soft dollars generated by the PointState Funds may be used by PointState to service accounts other than the PointState Fund.

PointState's Best Execution Committee generally meets on a quarterly basis to monitor the levels of PointState's soft dollar payments and monitor adherence to PointState's soft dollar and best execution policies. Furthermore, periodically, and at least annually, PointState conducts a process in which its investment personnel evaluate the research products or services provided by broker-dealers. Through this process PointState makes both quantitative and qualitative assessments of the amount, nature and value of research and brokerage services provided by broker-dealers, as well as the extent to which such services are relied upon, and attempts to allocate the brokerage business of the PointState Funds on the basis of those considerations.

2. Brokerage for Client Referrals.

In selecting or recommending broker-dealers, PointState does not take into account whether PointState or any of its related persons has received, or may in the future receive, client referrals from such broker-dealers.

3. Directed Brokerage.

PointState does not recommend, request or require that a client direct PointState to execute transactions through a specified broker-dealer.

B. Order Aggregation.

If PointState determines that the purchase or sale of a security is appropriate with regard to multiple clients, PointState may, but is not obligated to, purchase or sell such a security on behalf of such clients with an aggregated order, for the purpose of reducing transaction costs, to the extent permitted by applicable law. If any order is not filled at the same price, it may be allocated on an average price basis or by another method deemed fair and equitable by PointState. Such considerations may result in allocations among the clients on other than a *pari passu* basis.

Additional information about PointState's brokerage practices, execution of transactions and other matters addressed in Item 12 (Brokerage Practices) can be found in the Offering Memorandum of the relevant PointState Fund and in its constituent documents.

## **ITEM 13**

### **REVIEW OF ACCOUNTS**

A. Frequency and Nature of Review of Client Accounts or Financial Plans.

PointState's Chief Executive Officer, President, portfolio managers and research associates review the accounts of the PointState Funds and the portfolios contained therein on a frequent and regular basis. Such reviews include, but are not limited to, account risk and performance attribution; asset class, investment theme and individual position analysis; portfolio and individual position liquidity analysis; gross and net exposures (in the aggregate and broken down by geography, sector and asset class); market volatility and correlation analysis; and currency, commodity, credit and counterparty risk analysis.

B. Factors Prompting Review of Client Accounts Other than a Periodic Review.

A review of a client account may be triggered by any unusual activity or special circumstances.

C. Content and Frequency of Account Reports to Clients.

PointState generally provides annual audited financial statements and tax reports within (i) 90 days after the end of each fiscal year to investors in the Funds and the PointBridge Funds and (ii) 120 days after the end of each fiscal year to investors in the PointArgentum Funds.

Investors in the PointState Funds generally also receive monthly unaudited statements setting forth the investor's estimated capital account balance or the estimated net asset value of the investor's shares (as applicable), as well as weekly performance updates. PointState may provide an investor with information on a more frequent and detailed basis if agreed to by PointState and such investor.

Additional information about matters addressed in Item 13 (Review of Accounts) can be found in the Offering Memorandum and constituent documents of the relevant PointState Fund.



**ITEM 14**  
**CLIENT REFERRALS AND OTHER COMPENSATION**

A. Economic Benefits for Providing Services to Clients.

PointState does not receive economic benefits from non-clients for providing investment advice and other advisory services.

B. Compensation to Non-Supervised Persons for Client Referrals.

Neither PointState nor any related person directly or indirectly compensates any person who is not a supervised person, including placement agents, for client referrals. Any such arrangements in the future will be entered into consistent with applicable regulatory requirements, including the disclosure to the prospective client of the arrangement at the time of the solicitation. However, PointState may receive client referrals from brokers providing services to the PointState Funds, subject to PointState's obligation to seek best execution for transactions of the PointState Funds. See Item 12 (Brokerage Practices) above.

## **ITEM 15 CUSTODY**

PointState is deemed to have custody of the funds and securities of the PointState Funds because it has the authority to obtain client funds or securities, for example, by deducting advisory fees from a client's account or otherwise withdrawing funds from a PointState Fund's account. Account statements related to the PointState Funds are sent by qualified custodians to PointState. However, the investors of the PointState Funds will not receive statements from the qualified custodians.

PointState is subject to Rule 206(4)-2 under the Investment Advisers Act of 1940, as amended (the "Custody Rule"). However, it is not required to comply (or is deemed to have complied) with certain requirements of the Custody Rule with respect to each PointState Fund because, among other things, it complies with the provisions of the so-called "Pooled Vehicle Annual Audit Exception," which, among other things, requires that each PointState Fund be subject to audit at least annually by an independent public accountant that is registered with, and subject to regular inspection by, the Public Company Accounting Oversight Board, and requires that each PointState Fund distribute its audited financial statements to all investors within 120 days of the end of its fiscal year.

## ITEM 16

### INVESTMENT DISCRETION

PointState's investment decisions and advice with respect to each PointState Fund are subject to each PointState Fund's investment objectives and guidelines, as set forth in such PointState Fund's Offering Memorandum and/or organizational documents.

PointState or an affiliate of PointState has entered into an investment management or similar agreement with each client, pursuant to which PointState or an affiliate of PointState has been granted discretionary trading authority.

PointState intends to allocate any investment opportunities among the various funds and accounts (including the PointState Funds and the Other Accounts) under the management of PointState in a manner deemed by the PointState Group to be fair and equitable. A determination as to whether a particular investment opportunity is appropriate for a particular client will take into account factors that the PointState Group determine in good faith to be relevant. Investment opportunities appropriate for more than one client will generally be allocated *pro rata* based on the relative amount of buying power (which takes into account leverage) of such clients after taking into account the "target allocation" to a particular strategy, geography, sector or other relevant characteristics of the subject opportunity, including, without limitation, (i) the investment focus, objectives, guidelines or restrictions of such client; (ii) the current portfolio composition of such client; (iii) the need for cash to satisfy redemption requests or other obligations; (iv) tax considerations; (v) the need to bring such client in compliance with its investment guidelines and/or internal risk policies; (vi) whether such opportunity would be *de minimis* for such client; (vii) cash balances, liquidity and other operational factors, including those inherent at the inception of a client, or at the time of acceptance of a significant inflow of investor capital by a client, in each case, until the applicable subscription proceeds have been invested or substantially invested; and (viii) on the basis of such other then-current factors that the PointState Group deems appropriate to consider under the circumstances. Furthermore, the PointState Funds may invest in Financial Instruments on a side-by-side basis with certain Other Accounts. In circumstances where such Financial Instruments are capacity-constrained, such side-by-side arrangements may limit the size of investment the PointState Funds can make in such Financial Instruments.

The PointState Group may acquire and/or dispose of Financial Instruments held by a PointState Fund either prior to or subsequent to the acquisition and/or disposition of the same or similar Financial Instruments held by any other PointState Fund and/or any Other Accounts. Any such difference in the timing of the acquisition and/or disposition of such Financial Instruments may have detrimental effects on the performance of such PointState Fund. The PointState Group may also expose a PointState Fund to any investment opportunity as it relates to any Financial Instruments in an entirely different degree (by way of example only, in terms of currency exposure, capital exposure, derivative exposure and leverage) than that to which any other PointState Fund and/or any Other Accounts are exposed to such investment opportunity. As a result of some or all of the foregoing, the performance results as between a PointState Fund and any other PointState Fund and/or any Other Accounts, even as they relate to the Financial Instruments in which both such PointState Fund and any such other PointState Fund and/or Other Accounts invest, may vary to the detriment of the investors in such PointState Fund, and such variation may be significant.

## **ITEM 17**

### **VOTING CLIENT SECURITIES**

In compliance with Rule 206(4)-6 under the Investment Advisers Act of 1940, as amended, PointState is committed to voting proxies in a manner that serves the best interests of the PointState Funds, as determined by PointState in its discretion. In general, PointState seeks to be a trader of securities without seeking to influence or control company operations or activities.

#### *Procedures and Guidelines*

PointState has determined that the most efficient and effective method in which to vote is through the engagement of an independent third-party proxy voting service, Glass Lewis & Co., LLC ("Proxy Service"). Proxy Service voting recommendations are based on an "economic value" analysis. Generally, PointState votes in accordance with the recommendations of the Proxy Service. However, PointState retains the authority to vote, has not delegated such authority to the Proxy Service or any other party and may vote against any Proxy Service recommendation if it determines that doing so is in the best interests of the relevant client and otherwise consistent with its policy.

#### *Conflicts of Interest*

Voting in accordance with the recommendations of the Proxy Service will generally reduce the risk of conflicts of interest arising in connection with voting client securities. However, a potential conflict of interest may, nonetheless, exist in connection with the decision as to whether to follow a Proxy Service's recommendation related to a proxy solicited by an issuer with which PointState or any PointState Personnel has or had a business or personal relationship that may be affected by such decision and/or the related vote. In order to resolve any such potential conflict, PointState requires that, prior to deciding to depart from a Proxy Service recommendation, anyone involved in the decision-making process will be required to disclose any actual, potential or appearance of conflict to PointState's General Counsel or Chief Compliance Officer.

#### *Disclosure*

Investors in PointState Funds may contact PointState in order to obtain information on how PointState voted such PointState Fund's proxies and may request a copy of PointState's Proxy Voting Policies and Procedures. If an investor requests this information, PointState will prepare a written response to the investor that lists, with respect to each voted proxy about which the investor has inquired: (1) the name of the issuer, (2) the proposal voted upon and (3) how PointState voted the proxy.

**ITEM 18**  
**FINANCIAL INFORMATION**

PointState is not required to include a balance sheet for its most recent fiscal year, is not aware of any financial condition reasonably likely to impair its ability to meet contractual commitments to clients and has not been the subject of a bankruptcy petition at any time during the past ten years.

**ITEM 19**  
**REQUIREMENTS FOR STATE-REGISTERED ADVISERS**

Not applicable.