

**Stillpoint Investments LP**  
**90 Park Avenue, 40th Floor**  
**New York, NY 10016**

**March 2024**

This “**Brochure**” provides information about the qualifications and business practices of Stillpoint Investments LP (the “**Investment Manager**”). If you have any questions about the contents of this Brochure, please contact the Chief Compliance Officer (“**CCO**”), John Sobral at 908-416-0005 or by email at [jsobral@stillpointinvestments.com](mailto:jsobral@stillpointinvestments.com). Information in this Brochure has not been approved or verified by the U.S. Securities and Exchange Commission (“**SEC**”) or by any state securities authority.

Stillpoint Investments LP is a Registered Investment Adviser with the SEC. Registration as an investment adviser does not imply that Stillpoint Investments LP or any of its principals or employees possesses a particular level of skill or training in the investment advisory business or any other business.

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

## **Item 2: Material Changes**

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This Brochure is Stillpoint Investments LP's Form ADV Part 2A 2024 Annual Updating Amendment. There are no material changes to report.

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**Item 4: Advisory Business**

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Stillpoint Investments LP (hereinafter **“Stillpoint”**, **“we”**, **“us”**, **“our”** or the **“Investment Manager”**) is organized as a Delaware limited partnership with a principal place of business in New York, New York.

We serve as the investment adviser, with discretionary trading authority, to private, pooled investment vehicles, the securities of which are offered through a private placement memorandum to accredited investors, as defined under the Securities Act of 1933, as amended, and qualified purchasers, as defined under the Investment Company Act of 1940, as amended. We do not tailor our advisory services to the individual needs of any particular investor.

Stillpoint manages the following private pooled investment vehicles:

- Stillpoint Offshore Investments Ltd. a Cayman Islands exempted company (the **“Offshore Fund”**);
- Stillpoint Onshore Investments a Delaware limited partnership (the **“Onshore Fund”**); and
- Stillpoint Investments Master LP, a Cayman Islands exempted limited partnership (the **“Master Fund”**).

The Master Fund, the Onshore Fund and the Offshore Fund are herein each referred to as a **“Fund”** or **“Client,”** and collectively referred to as the **“Funds”** or the **“Clients.”** The Onshore Fund’s **“Limited Partners”** and the Offshore Fund’s **“Shareholders”** are hereafter collectively referred to as the **“Investors”** where appropriate.

Stillpoint also provides non-discretionary stock rankings to a client, on an ad-hoc basis, that may feed into such client’s systematic investment program. Stillpoint refers to this Client as the **“Contribution Client”** in this Brochure.

Our investment decisions and advice with respect to the Funds are subject to each Fund’s investment objectives and guidelines, as set forth in its respective **“Offering Documents.”**

The Firm has entered into and may enter into “side letters” or similar agreements with certain investor that may waive or modify the application of, or grant special or more favorable rights with respect to the Offering Documents to the extent permitted by applicable law.

We do not currently participate in any Wrap Fee Programs.

We had \$166,608,022 regulatory assets under management as of December 31, 2023. We do not have any non-discretionary regulatory assets under management.

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**Item 5: Fees and Compensation**

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The fees applicable to each of the Funds are set forth in detail in the corresponding Offering Documents. A brief summary of such fees is provided below.

***Management Fee***

Stillpoint is paid an investment management fee ("**Management Fee**") per annum of the net asset value of the Funds. The Fee will range from 0.5% to 3%.

The Investment Manager, in its sole discretion, may waive or modify the Management Fee for any Investor.

***Contribution Client:***

With respect to the Contribution Client, Stillpoint receives flat annual fee and a discretionary bonus as determined by the Contribution Client based on a variety of factors.

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

Stillpoint is authorized to incur and pay in the name and on behalf of the Funds all expenses which they deem necessary or advisable.

The Investment Manager is responsible for and shall pay, or cause to be paid, all of their own ordinary administrative and overhead expenses, including, without limitation, all costs and expenses related to rent, furniture, fixtures, equipment, office supplies, clerical expenses and all salaries, bonuses and benefits paid to, or on behalf of, personnel of the Investment Manager.

The Funds bear all other expenses, which include, without limitation, the following expenses incurred by or allocable to the Funds: (a) organizational and offering expenses; (b) expenses associated with all investments and transactions considered, evaluated and/or consummated by the Funds, including, without limitation, those expenses incurred before the initial closing of the Funds, including, without limitation, expenses associated with sourcing, negotiating, investigating, researching, financing and structuring of investments and potential investments, whether or not consummated, including, without limitation, third-party research, data, analytics, modeling, structuring, pricing, execution and other third-party information systems, software and service fees (including, without limitation, the expenses with respect to data feeds, subscriptions, expert networks, political intelligence providers, and reports); (c) research-related computer hardware and software expenses, including, without limitation, Bloomberg terminals; (d) the Funds' pro rata share of the Investment Manager's order management system, portfolio management system and any other software used for accounting and/or monitoring of the portfolio; (e) expenses associated with holding, financing, monitoring, hedging, maintaining and disposing of all investments of the Funds and all transaction and other costs associated therewith; (f) travel and related expenses associated with investments and potential investments; (g) professional fees associated with investments and potential investments, including, without limitation, consulting, due diligence, accounting, valuation, financial, legal, and other advisory fees and expenses; (h) transaction fees, brokerage commissions, custodial fees, clearing and settlement charges and similar fees and expenses associated with the acquisition, disposition and settling of investments and potential investments; (i) expenses associated with legal and regulatory filings of the Funds (including, without limitation, pursuant to Section 13 and 16 of the Securities and Exchange

Act of 1934, as amended (the “**Exchange Act**”)) and the Funds’ pro rata portion of the expenses associated with preparation of the Investment Manager’s Form 13F, Form 13H and Form PF, and any other similar filing in any other U.S. or non-U.S. jurisdiction; (j) administrative, custodial, appraisal, valuation, legal, regulatory, compliance, consulting, advisory and similar fees and expenses associated with the Funds’ operations, investments and transactions, including, without limitation, fees and expenses of the Funds’ administrator; (k) expenses incurred in connection with responding to requests or inquiries from any U.S. federal, state, local or non-U.S. governmental entity or authority, regulatory body or self-regulatory organization and all extraordinary expenses; (l) broken-deal, failed transaction, break-up and similar fees, costs and expenses, if any; (m) costs and expenses of leverage or any other borrowings of the Funds, including, without limitation, interest charges and fees; (n) expenses incurred in the collection of monies owed to the Funds, as applicable; (o) auditing and accounting expenses of the Funds, including, without limitation, expenses associated with the preparation of financial statements, tax returns and Schedules K-1 and the fees and expenses of the auditor; (p) any entity level taxes, fees or other governmental charges on the Funds, including, without limitation, any withholding taxes not due to the status or noncompliance of a particular Investor; (q) costs and expenses associated with investor communications and reports and the delivery thereof to investors; (r) the costs of service providers or software to measure or monitor risk metrics, to aggregate positions and/or to provide reporting with respect to risk metrics and/or positions; (s) costs and expenses associated with meetings of the Investors; (t) insurance expenses; including, without limitation, directors’ and officers’ liability insurance, general partner liability insurance, errors and omissions insurance and other policies, if any; (u) costs and expenses (including, without limitation, entity-level taxes, fees or other governmental charges) associated with the formation, organization and operation of any subsidiary, special purpose vehicle, alternative investment vehicle, holding company, or similar entity formed with respect to investments, credit facilities or other transactions entered into for the benefit of the Funds; (v) wind-up, liquidation, termination and dissolution expenses; (w) costs, fees and expenses related to registration, qualification and/or exemption under any applicable U.S. federal, state, local or non-U.S. laws, rules or regulations, including, without limitation, blue sky fees, Form D, Form 8.3, CFTC filings and notices and other securities and/or investment-related filing expenses; (x) costs related to any transfers of interests in the Funds, unless otherwise charged to or borne by the applicable transferor and/or transferee; (y) expenses incurred in connection with the preparation of any amendment to the Funds’ governing documents and/or Offering Documents; (z) expenses incurred in connection with pursuing, defending or participating in any litigation, arbitration, mediation or similar proceeding by the Funds; (aa) any extraordinary expenses (including, without limitation, all litigation-related and indemnification and contribution expenses, including, without limitation, the amount of any judgment or settlement paid in connection therewith); (bb) the Management Fee; and (cc) all other fees, costs, charges and expenses associated with the business, affairs and/or operations of the Funds.

In general, each Investor will bear its proportionate share of the Fund expenses on a pro rata basis with respect to the size of such Investor’s capital account(s) or with respect to the relative net asset value of the shares held by such Investor, as applicable.

Notwithstanding the foregoing, the Fund General Partner and/or the Investment Manager, as applicable, may specially allocate the expenses described herein in any other manner, including by allocating certain expenses to certain (but not all) Investors, if the Fund General Partner and/or the Investment Manager, as applicable, reasonably determines, in its discretion, that it is more equitable to do so.

To the extent that expenses to be borne by the Funds are paid by the Investment Manager or its affiliates, the Funds will reimburse the Investment Manager or its affiliates for such expenses. We may waive any such reimbursement with respect to any Fund expenses. Any waiver by us for reimbursement of any Fund expenses shall not serve as a waiver of reimbursement for any future Fund expenses to be paid by us or our affiliates.

Neither the Investment Manager nor its employees accept compensation, including sales charges or service fees, from any person for the sale of securities or other investment products.

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

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We and our affiliates are entitled to a performance-based compensation. As a result, we and our affiliates do not face certain conflicts of interest that may arise when an investment adviser accepts performance-based fees from some clients, but not from other clients.

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

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**Item 7: Types of Clients**

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Our clients are the Funds, as described in Item 4 above, and the Funds are generally open to, among others, institutions, pension plans, endowments, high net-worth individuals, financially sophisticated individuals, and other sophisticated investors.

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

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

***Investment Objective***

The investment objective of the Adviser, through its investment in the Master Fund, is to generate attractive, risk-adjusted returns by employing a China-focused long short equity strategy that seeks to compound capital based on superior stock selection. The Master Fund is expected to have a concentrated portfolio, with a focus on small to large cap equities listed on the People's Republic of China's Shanghai Stock Exchange ("**SSE**") and Shenzhen Stock Exchange ("**SZSE**", and together with SSE, "**China Connect**") (such equities, "**China A Shares**").

The investment strategies described herein are those that the Investment Manager expects to employ on behalf of the Master Fund. However, except as expressly set forth herein, there are no limitations on the investment strategies that the Master Fund may employ in order to opportunistically respond to, or to take advantage of, changing market conditions and new investment opportunities. Further, the Investment Manager may invest opportunistically in securities or transactions that vary from the core strategy of the Master Fund. There can be no assurance that the investment objective will be achieved, and investment results may vary substantially on a monthly, quarterly, and annual basis.

### ***Risk Management***

The investment program of the Funds is speculative and entails substantial risks. There can be no assurance that the investment objectives will be achieved or that the Funds will be profitable, and results may vary substantially over time. The Investment Manager will focus on managing risk through the quality of its investment process and monitoring of investments. The Investment Manager may not broadly diversify the portfolio and, in such event, the Funds will bear greater risk with respect to each investment than would be the case with respect to a diversified portfolio.

There can be no assurance that the investment objectives of the Funds will be achieved. In fact, many of the investment techniques utilized by the Funds may, in certain circumstances, exacerbate the adverse impact of particular transactions or conditions on the investment program of the Funds.

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

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

An investment involves substantial risks, including, without limitation, those described below. There can be no assurance that the investment objective will be achieved or that there will be any return of capital, and investment results may vary substantially on a monthly, quarterly or annual basis.

Interests are a potentially suitable investment only for sophisticated investors for whom an investment in the Funds does not represent a complete investment program and who, in consultation with their own investment and tax advisors, fully understand and are capable of assuming the risks of an investment in the Interests.

### ***Trading Risks***

*General Investment and Trading Risks.* All securities investments present a risk of loss of capital. Volatile financial markets increase that risk. If the Investment Manager's evaluation of an investment opportunity should prove incorrect, the Master Fund could experience losses as a result of a decline in the market value of securities in which the Master Fund holds a long position or an increase in the value of securities in which the Master Fund holds a short position. The investment program, as executed through the Master Fund, will include short sales, which can involve substantial volatility and can, in certain circumstances, substantially increase the adverse impact to which the Adviser may be subject. The risk management techniques that may be used by the Investment Manager do not provide any assurance that

the Funds will not be exposed to a risk of significant investment losses. No guarantee or representation is made that the investment program will be successful, that the Adviser will achieve its targeted returns or that there will be any return of capital to investors. In addition, investment results may vary substantially over time.

*Investment Judgment.* The profitability of a significant portion of the Fund's investment program depends to a great extent upon correctly assessing the future profitability of companies and future price movements of securities and other investments. There can be no assurance that the Investment Manager will be able to accurately predict the long-term results of any security or other investment.

*General Economic Conditions.* The success of the Fund's activities will be affected by general economic and market conditions, such as interest rates, availability of credit, inflation rates, economic uncertainty, changes in laws (including laws relating to taxation of the Master Fund's investments), tax considerations and tax treatment, trade barriers, currency exchange controls and national and international political circumstances (including wars, terrorist acts and security operations). These factors may affect the level and volatility of the prices and liquidity of the Fund's investments and could impair the Fund's profitability or result in losses. The Investment Manager may consider some or all of these factors when making trading decisions. The Funds could incur material losses even if the Investment Manager reacts quickly to difficult market conditions, and there can be no assurance that the Funds will not suffer material losses and other adverse effects from broad and rapid changes in market conditions in the future. Investors should realize that markets for the financial instruments in which the Master Fund will seek to invest can correlate strongly with each other at times or in ways that are difficult for the Investment Manager to predict. Even a well-analyzed approach may not protect the Funds from significant losses under certain market conditions.

*Availability of Suitable Investments.* The success of the Funds investment and trading activities depend on the ability of the Investment Manager to identify overvalued and undervalued investment opportunities and to manage market risk. Identification and exploitation of the investment strategies to be pursued by the Funds involve a high degree of uncertainty. No assurance can be given that the Investment Manager will be able to identify suitable investment opportunities in which to deploy all of the Master Fund's capital. A reduction in overall market volatility and liquidity, as well as other market factors, may reduce the pool of profitable investments for the Master Fund. Certain of the investment strategies employed by the Funds may be based on historical relationships among securities prices, exchange rates, interest rates and bond prices. There can be no assurance that these historical relationships will continue. No representation is made by the Investment Manager as to what results the Funds will or is likely to achieve based on these trends and relationships.

*Available Information.* The Investment Manager may select investments, in part, on the basis of information and data filed by the issuers of securities with various government regulators or made directly available to the Investment Manager by such issuers, or through sources other than the issuers. Although the Investment Manager evaluates all such information and data, and seeks independent corroboration when the Investment Manager considers it appropriate and when it is reasonably available, the Investment Manager is not in a position to confirm the completeness, genuineness or accuracy of such information and data, and in some cases, complete and accurate information is not readily available.

*Concentration of Investments; Limited Diversification and Sector Investing.* The Master Fund may hold a limited amount of positions (both long and short) at any given time and the Master Fund may hold relatively large positions in few securities. As a result of the Master Fund's

possible lack of diversification, a significant loss in any one position may have a material adverse effect on the net asset value of the Funds rate of return. Likewise, any fluctuation in the overall value of securities in specific industries or sectors likely will have a material effect on the performance of the Master Fund.

*Equity Securities.* The Funds may invest in equity and equity-related securities, including, without limitation, equity investments acquired in connection with restructured debt securities or instruments, or in connection with reorganizations and/or restructurings of debt securities, equity securities or other obligations and assets of undervalued, operationally challenged and/or financially troubled companies or institutions. A risk of investing in the Funds is that equity securities held by the Master Fund may decline in value. Equity securities fluctuate in value in response to many factors, including the activities and financial condition of individual companies, the business market in which individual companies compete, industry market conditions, interest rates and general economic environments. In addition, equity securities that the Investment Manager believes are undervalued or incorrectly valued may not ultimately be valued by the markets in the manner that the Investment Manager anticipates.

*Debt Securities.* Although the Master Fund will trade primarily in equities, the Master Fund also may invest in debt or other fixed income securities, including non-investment grade securities, sovereign debt and/or similar obligations and instruments. Particularly with respect to non-investment grade securities, there is a risk that the issuer will default on its payments obligations. The market values of debt instruments may be more volatile than the values of other investments and, during periods of economic uncertainty and change, the market price of these investments may decrease significantly. Debt instruments may also be less liquid than equities, particularly during periods of market dislocation. The lack of a liquid secondary market may have an adverse effect on the market price and the Master Fund's ability to sell particular securities.

*Hedging.* The Master Fund may engage in certain hedging transactions, including derivatives, options and swaps. Hedges can be more difficult to implement than many other types of transactions, and the possibilities for errors may be greater than for other transactions. Additionally, there is no guarantee that these hedging transactions will prevent losses to the Funds. The success of the Master Fund's hedging strategy will be subject to the Investment Manager's ability to correctly assess the degree of correlation between the performance of the instruments used in the hedging strategy and the performance of the investments in the portfolio being hedged. Since the characteristics of many securities change as markets change or time passes, the success of the Master Fund's hedging strategy will also be subject to the Investment Manager's ability to continually recalculate, readjust and execute hedges in an efficient and timely manner. In addition, hedging transactions may result in poorer overall performance for the Funds than if no such hedging transactions were executed. Moreover, the Investment Manager may determine not to hedge against, or may not anticipate, certain risks. Finally, the Funds may be exposed to certain risks that cannot be hedged, such as credit risk (relating both to particular investments and counterparties).

*Options.* The Master Fund may engage in the trading of options when appropriate. Specific market movements of the securities underlying an option cannot accurately be predicted. The purchaser of an option is subject to the risk of losing the entire purchase price of the option. The writer of an option is subject to the risk of loss resulting from the difference between the premium received for the option and the price of the security underlying the option which the writer must purchase or deliver upon exercise of the option.

*Derivatives.* The Master Fund may invest in derivative financial instruments. In addition, the Master Fund may, from time to time, utilize both exchange-traded and over-the-counter derivatives, including swaps, futures, options and contracts for differences, either to express an investment view or for hedging purposes. Regulatory restraints may restrict the instruments that the Master Fund may trade. Such derivative instruments are highly volatile, involve certain special risks and expose investors to a high risk of loss. The low initial margin deposits normally required to establish a position in such instruments permit a high degree of leverage. As a result, a relatively small movement in the price of a contract may result in a gain or a loss which is high in proportion to the amount of funds actually placed as initial margin and may result in unquantifiable further losses exceeding any margin deposited. Further, when used for hedging purposes, there may be an imperfect correlation between these instruments and the investments or market sectors being hedged.

*Currency Hedging.* The Master Fund may be exposed to foreign exchange risk, and may seek to mitigate this risk through the use of a variety of strategies and products, including, but not limited to, Forex forwards, currency futures and currency swaps. There is no guarantee that any of these currency hedging strategies will reduce or prevent losses to the Funds. As part of its currency hedging strategy, the Master Fund may enter into currency transactions that are not traded on an exchange, and the funds the Master Fund invests in those transactions may not receive the same protections as funds used to margin or guarantee exchange-traded futures and options contracts. If the counterparty to an over-the-counter Forex transaction becomes insolvent and the Master Fund has a claim for amounts deposited or profits earned on transactions with the counterparty, the Master Fund's claim may not receive a priority. Without a priority, the Master Fund is a general creditor and its claim will be paid, along with the claims of other general creditors, from any monies still available after priority claims are paid. Even the Master Fund's funds that the counterparty keeps separate from its own operating funds may not be safe from the claims of other general and priority creditors. Forex trading can quickly lead to large losses as well as gains. Such trading losses can sharply reduce the net asset value of the Master Fund.

*Inside Information.* From time to time, the Investment Manager or its affiliates may come into possession of material, non-public information concerning a company, and the possession of such information may limit the ability of the Investment Manager to cause the Master Fund to buy or sell the securities issued by such company at times when the Investment Manager might otherwise wish to cause the Master Fund to buy or sell such securities.

*Leverage.* Although it is currently expected that the Master Fund will not employ leverage, the Master Fund may employ leverage in connection with its investment strategies and/or for any other purpose deemed necessary, desirable or appropriate at such times, in such amounts and subject to such terms and conditions as the General Partner and/or the Investment Manager may determine in its sole and absolute discretion. Such leverage may take a variety of forms, including, but not limited to, margin borrowing from securities brokers and dealers, loans, repurchase agreements, derivative instruments that are inherently leveraged, and other financing arrangements, as determined by the General Partner in its sole and absolute discretion. The use of leverage increases both the possibility for gain and the risk of loss. Leverage employed by the Funds may be secured by the securities holdings and other assets of the Funds, as applicable. Under certain circumstances, a lender may demand an increase in the collateral that secures such obligations, and if the Funds are unable to provide additional collateral, the lender could liquidate assets held in the account to satisfy such obligations. Liquidation in that manner could have extremely adverse consequences. In addition, the amount of Funds borrowing and the interest rates on that borrowing, both of which will fluctuate, may have an effect on the profitability of the Funds. Additionally, leverage typically

will cause the net asset value of the Funds to increase or decrease at a greater rate than if leverage were not used. In addition, the use of leverage may cause a U.S. tax-exempt investor to realize UBTI.

*Short Sales.* The Investment Manager may engage in short selling on behalf of the Master Fund. Short selling involves selling securities that are not owned by the Master Fund. A short position is established when the Master Fund borrows securities from securities brokers or other institutions and sells them in an open market transaction with an obligation to return the borrowed securities at a later date. Short selling allows the Master Fund to profit from the decline in the price of the securities by purchasing the securities at a price that is lower than the price at which they were initially sold, in each case, to the extent such decline exceeds the transaction costs and the costs of borrowing the securities. In addition, short sales may act as a hedge against long positions in the same or related securities in the Master Fund's portfolio in the event that the price of securities have declined.

However, *a short sale creates the risk of unlimited loss* because in order to close out a short position, the Master Fund would need to return the borrowed securities by purchasing such securities at prevailing market prices. Specifically, the price of the subject security could rise without limit, thus increasing the cost to the Master Fund of buying those securities in order to close out the short position. There can be no assurance that the security necessary to close out a short position will be available for purchase. Purchasing securities to close out the short position can itself cause the price of the securities to rise further if the demand to buy such securities outpaces the available supply, thereby exacerbating the loss.

For instance, a so-called "short squeeze" can occur when the price of securities in which the Master Fund has an open short position rise sharply in a short time frame. The rapid rise may be a result of (i) multiple short sellers seek to cover their short positions in the same time frame by purchasing the security, resulting in a rapid price increase; (ii) market participants collectively purchase a significant amount of shares, thereby causing a substantial increase in the price of such securities; and/or (iii) one or more lenders of a security that was used to facilitate a short position suddenly demand the return of the security that has been loaned. A "short squeeze" may result in the Master Fund having to prematurely close out a short positions at unattractively high prices, resulting in a substantial loss. Further, the risk of a "short squeeze" likely will increase if other short sellers, market participants, and/or lenders become aware of the Master Fund's short positions, including, without limitation, as a result of legally-required reporting with respect to the Master Fund's ownership of options to purchase the underlying security being shorted.

In the instance where securities lenders demand a return of securities in respect of an open short position, the Master Fund will need to either find another source of supply of such security or purchase the subject securities in open market transactions at then-prevailing market prices. If the Master Fund is unable to source another securities lender and is forced to close out its short position, the Master Fund could incur significant losses if the securities sold short had increased beyond the price at which the Master Fund initially established its short position.

In addition to the risks of securities loan recalls or "short squeezes," the Master Fund may be required to provide additional margin to its counterparties, including its prime brokers, on short notice if the price of a security underlying a short position suddenly rises. If the Master Fund is unable to deliver the additional margin required, the Master Fund may need to prematurely close out the short position at unattractive prices, thereby resulting in a substantial loss. In addition, depending on the timing and magnitude of a price increase in

respect of an open short position, the Master Fund may be required to liquidate long positions in order to meet margin requirements, thereby further increasing the losses (or decreases the gains) of the Master Fund.

In addition, stock loan fees charged to the Master Fund for borrowing securities may be substantial, and will decrease any gains (or increase losses) associated with the short position. Certain jurisdictions have enacted restrictions on short selling (including wholesale bans, at times) as well as public disclosure requirements. If additional short-selling restrictions and disclosure requirements are enacted, the prices of the instruments in which the Master Fund invests may be materially affected and the ability of the Investment Manager to take advantage of opportunities for short-selling may be significantly reduced.

*Securities Lending.* The Master Fund may lend securities to securities brokers and other institutions as a means of earning additional income. If the other party to such transaction becomes insolvent or bankrupt, the Master Fund could experience delays and extra costs in recovering payment or the securities. To the extent that, in the meantime, the value of securities changes, the Master Fund could experience further losses. Security loans must be fully collateralized, and the Investment Manager must be satisfied with the creditworthiness of the other party to the transaction.

*Interest Rates.* The General Partner and/or the Investment Manager may borrow funds from brokerage firms and banks on behalf of the Funds to be able to increase the amount of capital available for marketable securities investments. The rates at which the Funds can borrow, in particular, will affect the operating results of the Funds. Even if the Master Fund makes a profit on a trade, the interest expense incurred in carrying the position may exceed the profit generated by the trade.

*Margin.* The General Partner and/or the Investment Manager may make use of short-term borrowing or repurchase agreements on behalf of the Funds, and any such use will result in certain additional risks to the Funds. For example, should the securities pledged or charged to brokers to secure the Master Fund's margin accounts or repurchase obligation decline in value, the Master Fund could be subject to a "margin call," pursuant to which the Master Fund must either deposit additional funds with the broker or suffer mandatory liquidation of the pledged or charged securities to compensate for the decline in value. In the event of a sudden drop in the value of the Master Fund's assets, the Master Fund might not be able to liquidate assets quickly enough to pay off its margin debt.

*Price and Liquidity Fluctuations of Investments.* It is expected that the Master Fund's investments will be in public securities. However, the market value of the Master Fund's investments may fluctuate with, among other things, changes in prevailing interest rates, general economic conditions, the condition of financial markets, developments or trends in the securities markets and the financial condition of the issuers of the securities in which the Master Fund invests. During periods of limited liquidity and higher price volatility, the Master Fund's ability to acquire or dispose of its investments at a price and time that the Master Fund deems advantageous may be impaired. As a result, in periods of rising market prices, the Master Fund may be unable to participate in price increases fully to the extent that it is unable to acquire the desired positions quickly; the Master Fund's inability to dispose fully and promptly of positions in declining markets will conversely cause its net asset value to decline as the value of unsold positions is marked to lower prices.

*Trade Error Risk.* Trade errors include, for example, keystroke errors that occur when entering trades into an electronic trading system or typographical or drafting errors related to

derivatives contracts or similar agreements. Given the volume and complexity of transactions executed by the Investment Manager on behalf of the Master Fund, trade errors are likely to occur, notwithstanding the execution of due care and special procedures designed to prevent such errors. If trading errors do occur, the Investment Manager will not be responsible for gains or losses resulting from trade errors, except where such trade error is the result of the Investment Manager's gross negligence, willful misconduct or fraud.

*Competition.* The securities industry is extremely competitive. The Investment Manager will compete for investment opportunities against various other investors, including many of the larger securities and investment banking firms, which have substantially greater financial resources and research staffs. Competitive investment activity by other firms may reduce the Master Fund's opportunity for profit by reducing the availability of or increasing the price of what the Master Fund believes to be, based on its investment criteria, exceptional investment opportunities.

*Securities Market Volatility.* Securities markets are volatile and may decline significantly in response to adverse issuer, political, regulatory, market or economic developments. Different parts of the market and different types of debt and equity securities may react differently to these developments. For example, small-cap stocks may react differently than large-cap stocks. Issuer, political or economic developments may affect a single issuer, issuers within an industry, sector or geographic region or the market as a whole.

*Risk of Operations/Liquidity Risks.* Although the securities that the Master Fund may acquire generally will be traded on public exchanges, each exchange typically has the right to suspend or limit trading in all securities that it lists. Such a suspension could render it difficult or impossible for the Master Fund to liquidate its positions and would thereby expose it to losses. In addition, some of the securities in which the Master Fund may invest may be thinly traded, potentially making it difficult for the Master Fund to dispose of a position at the time or price desired. Moreover, in periods of extreme market volatility, the bid/ask spreads for some securities that ordinarily are liquid may widen, making it difficult or undesirable to sell the securities. There can be no assurance that the trading markets will remain liquid enough for management to close out existing positions at any time there is a need to do so. There may be a variety of other reasons why a security in which the Master Fund may invest may be illiquid, and, in such event, the Master Fund may have similar issues with realizing such security.

*Risks of Foreign Investments.* The Master Fund intends to invest in securities of foreign companies, governments and government agencies. Investing in such securities, which are generally denominated in foreign currencies, and the use of forward foreign currency exchange contracts, involves unusual risk not typically associated with investing in securities issued by U.S. companies or by the U.S. government or its agencies or instrumentalities. Investing in emerging markets poses greater risks and a greater potential for returns than investing in developed countries. Securities of companies in these emerging markets are generally more volatile and may be much more volatile than securities issued by companies located in developed countries. The Master Fund may be affected favorably or unfavorably by exchange control regulations or changes in the exchange rate between such currencies and the U.S. dollar. Moreover, individual foreign economies may compare unfavorably with the U.S. economy in growth of gross national product, rate of inflation, rate of savings and capital reinvestment, resource self-sufficiency, balance-of-payment positions and in other respects. Some of the countries in which the Master Fund may invest have laws and regulations that currently preclude or severely restrict direct foreign investment in securities of their companies. Securities of some foreign companies are less liquid and their prices are more

volatile than securities of comparable U.S. companies. Investing in foreign securities creates a greater risk of securities clearance and settlement problems. Further, some of the securities in which the Master Fund may invest may be thinly traded and relatively illiquid or may cease to be traded after the Master Fund invests in them. In addition to being illiquid, such securities may be issued by unseasoned companies and may be highly speculative. In addition, the Master Fund occasionally may acquire relatively large positions in a few securities. In such cases, and in the event of extreme market activity, the Master Fund may not be able to liquidate investments promptly, if the need should arise, which could materially and adversely affect the results of such investments.

*Asia Risk.* Investing in certain Asian issuers may involve a higher degree of risk and special considerations not typically associated with investing in issuers from more established economies or securities markets. Many Asian countries can be characterized as either developing or newly industrialized economies and tend to experience more volatile economic cycles than developed countries. Some countries in the region have in the past experienced currency devaluations that resulted in high interest rate levels, sharp reductions in economic activity and significant drops in securities prices. Some countries in the region have in the past imposed restrictions on converting local currency which prevented foreign firms from selling assets and repatriating funds. Many countries in the region have historically faced political uncertainty, corruption, military intervention and social unrest.

*China Risk.* Investing in China involves a higher degree of risk and special considerations not typically associated with investing in other more established economies or securities markets. The Fund's investment exposure to China may subject the Fund, to a greater extent than if investments were made in developed countries, to the risks of adverse securities markets, exchange rates and social, political, regulatory, economic or environmental events and natural disasters which may occur in the China region. The economy, industries, and securities and currency markets of China may be adversely affected by protectionist trade policies, slow economic activity worldwide, dependence on exports and international trade, increasing competition from Asia's other low-cost emerging economies, political and social instability, regional and global conflicts, terrorism and war, including actions that are contrary to the interests of the United States. In addition, currency fluctuations, currency convertibility, interest rate fluctuations and higher rates of inflation as a result of internal social unrest or conflicts with other countries have had, and may continue to have, negative effects on the economies and securities markets of China.

The securities markets of the People's Republic of China and Taiwan are emerging markets characterized by a relatively small number of equity issues and relatively low trading volume, resulting in substantially less liquidity and greater price volatility and potentially fewer investment opportunities for the Fund. The universe of share issues currently available to foreign investors in the People's Republic of China may be limited as compared with the universe of equity securities available in other markets. The government of the People's Republic of China exercises significant control over the economy, and may at any time alter or discontinue economic reforms. Investments in China are subject to the risk of confiscatory taxation, nationalization or expropriation of assets, potentially frequent changes in the law, and imperfect information because companies in the China region may not be subject to the same disclosure, accounting, auditing and financial reporting standards and practices as United States companies.

*China A Shares Risk.* Trading in China A Shares through China Connect involves additional risks. China Connect is subject to a daily quota (the "**Daily Quota**"), which limits the maximum net purchases under China Connect each day and, as such, buy orders for China A Shares

would be rejected once the Daily Quota is exceeded. Further, China Connect, which relies on the connectivity of the Shanghai or Shenzhen markets with Hong Kong, is subject to operational risk, regulations that are relatively untested and are subject to change, and extended market closures for holidays or otherwise. During an extended market closure, the Funds ability to trade in China A Shares will be impacted which may affect the Fund's performance.

*Company Capitalization.* The Master Fund may invest in securities of companies with various capitalizations where such companies meet the investment criteria described herein. While such companies may provide significant potential for appreciation, such investments, particularly small-capitalization securities, involve higher risks in some respects than do investments in securities of larger companies. The prices of small-capitalization and even medium-capitalization securities are often more volatile than prices of large-capitalization securities and the risk of bankruptcy or insolvency of many smaller companies (with the attendant losses to long investors) is higher than for larger, "blue-chip" companies. In addition, due to thin trading in some small- and medium-capitalization securities, an investment in those securities may be illiquid. The small- and medium-capitalization securities may, at times, significantly underperform the large-capitalization securities and may do so in the future. A related concern for short sale risk is that smaller companies tend to be more readily acquired.

*Securities of Sub-Investment Grade Companies.* Special risks may arise if the Master Fund invests in the securities of sub-investment grade and highly-leveraged companies. Although such investments may result in significant returns to the Master Fund, they involve a substantial degree of risk. If the "natural leverage" created by a company's high level of borrowing works against a Master Fund short position, the Master Fund's losses would be heightened. If the Master Fund purchases distressed and/or non-performing debt securities, and subsequent to purchasing them finds that they are no longer readily traded by broker-dealers, these securities may not show any return for a considerable period of time. Many distressed and/or non-performing securities ordinarily remain unpaid while the company is in bankruptcy and may not ultimately be paid unless and until the company reorganizes and/or emerges from bankruptcy proceedings. As a result, if they are no longer readily traded by broker-dealers, such securities may have to be held for an extended period of time. There is no assurance that the Investment Manager will correctly evaluate the nature and magnitude of the various factors that could affect the prospects for a successful reorganization or similar action. In any reorganization or liquidation proceeding relating to a company in which the Funds invest, the Funds may lose its entire investment. Under such circumstances, the returns generated from the Master Fund's investments may not compensate the Investors adequately for the risks assumed.

*Special Situation Investments.* The Master Fund may invest in companies involved in, or the target of, acquisition attempts or tender offers or in companies involved in or undergoing work-outs, liquidations, spin-offs, reorganizations, bankruptcies or other catalytic changes or similar transactions. In any investment opportunity involving any such type of special situation, there exists the risk that the contemplated transaction either will be unsuccessful, will take considerable time or will result in a distribution of cash or a new security, the value of which will be less than the purchase price to the Master Fund of the security or other financial instrument in respect of which such distribution is received. Similarly, if an anticipated transaction does not in fact occur, the Master Fund may be required to sell its investment at a loss. Because there is substantial uncertainty concerning the outcome of the transactions involving financially troubled companies in which the Master Fund may invest, there is a potential risk of loss by the Master Fund of its entire investment in such companies.

*Institutional Risks.* Institutions will have custody of the assets of the Funds. Certain assets of the Funds will be exposed to the credit risk of the dealers, brokers and exchanges through which the Investment Manager deals, whether the Investment Manager engages in exchange-traded or off-exchange transactions. These firms and/or financial institutions, regardless of how large or well-capitalized, may encounter financial difficulties that impair the operating capabilities or the capital position of the Fund. If any broker-dealer or other financial institution holding the Funds assets were to become bankrupt or insolvent, it is possible that the Funds would be able to recover only a portion, or in certain circumstances, none of its assets held by such bankrupt or insolvent entity.

*Counterparty Risk.* Brokers may trade with an exchange as principals on behalf of the Master Fund, in a “debtor-creditor” relationship, unlike other clearing broker relationships where the broker is merely a facilitator of the transaction. Such broker could, therefore, have title to all of the assets of the Master Fund (for example, the transactions that the broker has entered into on behalf of the Master Fund as principal as well as the margin payments that the Master Fund provides). In the event of such broker’s insolvency, the transactions into which the broker has entered as principal could default, and the Master Fund’s assets could become part of the insolvent broker’s estate, to the detriment of the Funds. The Master Fund’s assets may be held in “street name,” in which case, a default by the broker could cause the Master Fund’s rights to be limited to that of an unsecured creditor.

To the extent that the Master Fund invests in swaps, derivative or synthetic instruments, or other over-the-counter transactions, including forward contracts, or, in certain circumstances, non-U.S. securities, the Master Fund may also take a credit risk with respect to the parties with whom it trades and may bear the risk of settlement default. These risks may differ materially from those entailed in exchange-traded transactions, which generally are backed by clearing organization guarantees, daily marking-to-market and settlement, and segregation and minimum capital requirements applicable to intermediaries. Transactions entered into directly between two counterparties generally do not benefit from such protections and expose the parties to the risk of counterparty default.

In addition, the Master Fund’s prime broker and trading agreements may contain certain provisions that allow a counterparty to either terminate the relevant agreement or require additional levels of collateral, as applicable, for various reasons. The termination of the relevant agreement may result in immediate payment by the Master Fund of the mark-to-market amount, or net liability, due under the agreement, and, if not immediately replaced, a loss of the previously held investment and/or hedging exposure.

*Discretion and Changes in Investment Strategy.* The Investment Manager has considerable discretion in choosing the securities that may be acquired, and, subject to its fiduciary duties, it has the right to modify the investment strategy, selection criteria or hedging techniques used by the Funds without the consent of the Investors.

*Financial Crises and Effects on Global Financial Markets.* World financial markets have in the past experienced and may in the future experience extraordinary market conditions, including, among other things, extreme losses and volatility in securities markets and the failure of credit markets to function. In reaction to these events, regulators in the U.S. and several other countries previously have taken and may in the future take regulatory actions. However, global financial markets may remain volatile, and it is uncertain whether regulatory actions will be able to prevent losses and volatility in securities markets. It is possible that regulatory actions might increase the possibility of future volatility. Regulations may increase market fragmentation and decrease the global flow of capital as it may be too difficult for the

Funds and other market participants to comply with multiple regulatory regimes. There may be significant new regulations that could limit the activities of the Funds and investment opportunities or change the functioning of capital markets, and there is the possibility of regional and/or worldwide economic downturn. Consequently, the Fund may not be capable of, or successful at, preserving the value of its assets, generating positive investment returns or effectively managing its risks.

*Novel Coronavirus and Public Health Emergency.* In March 2020, the World Health Organization declared a global pandemic in connection with an outbreak of a novel and highly contagious form of coronavirus ("COVID-19"). The outbreak of COVID-19 caused a worldwide public health emergency with a substantial number of hospitalizations and deaths, and has, among other things, adversely impacted global commercial activity and disrupted nearly every aspect of business and personal life, including, without limitation, government-imposed and other quarantine requirements, restrictions on travel, and the closures or reductions of offices, businesses, schools, retail stores, restaurants, other commercial establishments and other public venues (including, without limitation, temporary or permanent reductions in work force, remote working arrangements and emergency contingency plans). Although as of the date of the Offering Memorandum such adverse effects and restrictions have lessened to some degree, the effects of COVID-19 are difficult to assess, continue to impose substantial uncertainty, and may still adversely affect many economies, global financial markets, the business and operations of the Fund, the Investment Manager, the Master Fund or its portfolio companies and/or their respective affiliates.

The extent of the impact of any public health emergency, including COVID-19, on the Funds and its portfolio companies' operational and financial performance will depend on many factors, including the duration and scope of the resulting public health emergency, the extent of any related restrictions implemented, the impact of such public health emergency on overall supply and demand, goods and services, investor liquidity, consumer confidence and levels of economic activity, and the extent of its disruption to important global, regional and local supply chains and economic markets, all of which are highly uncertain and cannot be predicted. The effects of any public health emergency, including COVID-19, may materially and adversely impact the value, performance and liquidity of the Funds or its portfolio companies, leverage availability and terms, the Investment Manager's ability to source, manage and divest investments and the Investment Manager's ability to achieve its investment objectives, all of which could result in significant losses to the Funds and its investors.

Any public health emergency, including COVID-19, may also adversely impact one or more individual Investor's financial condition, which could result in withdrawal requests by such investors as a result of their individual liquidity situations and irrespective of performance of the Funds. Such withdrawal requests could also adversely affect the Funds.

*Other Catastrophic Risks.* In addition to the potential risks associated with COVID-19 as outlined above, the Funds may be subject to the risk of loss arising from direct or indirect exposure to a number of types of other catastrophic events, including without limitation (i) other public health crises, including any outbreak of SARS, H1N1/09 influenza, Zika avian influenza, other coronaviruses, Ebola or other existing or new epidemic diseases, or the threat or fear thereof; or (ii) other major events or disruptions, such as hurricanes, earthquakes, tornadoes, fires, flooding and other natural disasters; acts of war, military conflicts, social unrest or terrorism, including cyberterrorism; or major or prolonged power outages or network interruptions. Such events could exacerbate political, social and economic risks previously mentioned and result in significant breakdowns, delays and other disruptions on a

local, regional and global scale, which may have adverse effects on the operating performance of the Funds and its portfolio companies. The extent of the impact of any such catastrophe or other emergency on the Funds and its portfolio companies' operational and financial performance will depend on many factors, including the duration and scope of such emergency, the extent of any related travel advisories and restrictions, the impact on overall supply and demand for goods and services, investor liquidity, consumer confidence and levels of economic activity, and the extent of its disruption to important global, regional and local supply chains and economic markets, all of which are highly uncertain and cannot be predicted. In particular, to the extent that any such event occurs and has a material effect on global financial markets or specific markets in which the Master Fund participates (or has a material effect on any Master Fund portfolio companies or locations in which such portfolio companies or the Investment Manager operates or on any of their respective personnel) the risks of loss could be substantial and could have a material adverse effect on the Funds or the ability of the Investment Manager to fulfill its investment objectives.

*Cyber Security Breaches and Identity Theft.* The information and technology systems of the General Partner, the Investment Manager, their affiliates, the Stillpoint Funds and their service providers and their portfolio companies may be vulnerable to damage or interruption from computer viruses, network failures, computer and telecommunication failures, infiltration by unauthorized persons, other security breaches and/or usage errors by their respective professionals. The techniques used to obtain unauthorized access to data, disable or degrade service or sabotage systems change frequently and may be difficult to detect for long periods of time. Hardware or software acquired from third parties may contain defects in design or manufacture or other problems that could unexpectedly compromise information security.

Although the General Partner, the Investment Manager and/or their affiliates have implemented, or expect to implement, measures to manage risks relating to these types of events, if these systems are compromised, become inoperable for extended periods of time or cease to function properly, the General Partner, the Investment Manager, their affiliates, one or more Stillpoint Funds, their service providers and/or their portfolio companies may have to make a significant investment to fix or replace them. The failure of these systems for any reason could cause significant interruptions in such parties' operations and/or a failure to maintain the security, confidentiality or privacy of sensitive data, including personal information relating to investors (and the beneficial owners of investors). Such a failure could harm the reputation of the General Partner, the Investment Manager, their affiliates, the Stillpoint Funds and/or their portfolio companies, subject any such entity and their respective affiliates to legal claims and/or otherwise affect their business and financial performance. Specifically, cyberattacks and the failure of such systems may interfere with the processing of investor subscriptions or withdrawals, impact the ability of the Funds to value its assets, cause the release of confidential information and/or subject the Partnership to regulatory fines, penalties or financial losses, reimbursement or other compensation costs, and/or additional compliance costs. The Funds also may incur substantial costs for cyber-security risk management to prevent any cyber incidents in the future. The Funds and its investors could be negatively impacted as a result.

*Outsourced Trading.* The Investment Manager has delegated authority to select brokers for the Master Fund's transactions to a third party outsourced trading service provider (the "**Outsourced Trader**"). The Outsourced Trader is paid a commission for each trade order it routes through a "**Designated Broker**." Any commission that the Outsourced Trader receives for routing trade orders through various Designated Brokers is considered compensation for the Outsourced Trader's trading services. The Investment Manager arranges for the

Designated Broker that is routed a trade order from the Outsourced Trader to pay the Outsourced Trader's commission. If the Designated Broker refuses to pay the Outsourced Trader's commissions for trade orders executed through the Designated Broker, the Investment Manager is obligated to pay the Outsourced Servicer for such commissions.

*Use of Alternative Data.* The Investment Manager may purchase and use in its investment process alternative data, consisting of datasets culled from a variety of sources (including, among others, credit card panels, satellite imagery, geolocation and mobility data, app usage, social media sentiment, internet usage, transaction and payment records, and government and other public records databases), including through its incorporation in the Investment Manager's research of target companies. The purchase, onboarding, analysis and interpretation of alternative data involves a high degree of uncertainty, and no assurance can be given that the use of alternative data by the Investment Manager will prove beneficial to the Funds. The use of alternative data involves an inherent risk that the Investment Manager may rely on data outputs that reflect faulty system logic or that are based on inaccurate or incomplete data inputs. Moreover, the use of alternative data for investment purposes has been subject to increased scrutiny from regulators, and its use or misuse under current or future laws and regulations, whether related to securities or privacy laws and regulations or otherwise, could create liability for the Investment Manager and for the Funds in various jurisdictions. The Investment Manager cannot predict what, if any, regulatory or other actions may be asserted with regard to alternative data, but any regulatory investigations or formal actions could cause reputational, financial, or other harm to the Investment Manager and/or to the Funds. In addition, the use of alternative data may entail significant expense, which is expected to be borne, in whole or in part, by the Funds.

*Risk Management.* The Funds investment program is speculative and entails substantial risks. There can be no assurance that the investment objectives of the Funds will be achieved or that the Funds will be profitable, and results may vary substantially over time. The Investment Manager will focus on managing risk through the quality of its investment process and monitoring of investments. The Investment Manager may not broadly diversify the portfolio and, in such event, the Funds will bear greater risk with respect to each investment than would be the case with respect to a diversified portfolio.

There can be no assurance that the investment objectives of the Funds will be achieved. In fact, many of the investment techniques utilized by the Funds may, in certain circumstances, exacerbate the adverse impact of particular transactions or conditions on the investment program of the Funds.

*No Operating History.* Although the Principal and key members of the Investment Team are experienced investment professionals who have pursued investment objectives similar to the Fund investment objective at other organizations, the Funds have no operating history on which prospective investors can base an evaluation of its performance.

*Reliance on the Investment Manager.* The Investment Manager has exclusive responsibility for the Funds trading and investment activities. The quality of the investment advice provided by the Investment Manager is highly dependent upon the skills, judgment and expertise of the Investment Team. The loss of the services of any member of the Investment Team could adversely affect the Investment Manager's ability to trade effectively. In particular, the success of the Funds will be largely dependent upon the efforts of the Principal. Although the Principal intends to devote substantial time and attention to the business, investment activities and affairs of the Funds and other Stillpoint Clients with a substantially similar strategy as the Stillpoint Funds, he also may engage in other business activities that may limit

the time devoted to the business of the Partnership. Conflicts of Interest are discussed in the Fund PPMs.

*No Control by Investors.* Investors will have no authority to make decisions or to participate in the day-to-day management of, or exercise business discretion with respect to, the Funds. The authority to make all business and/or investment decisions is vested in the General Partner and the Investment Manager. Accordingly, no investor should invest in the Funds unless it is willing to entrust all aspects of the management of the Funds to such parties. In addition, investors do not have an opportunity to evaluate the specific investments made by the Funds or to evaluate the terms of any investments made by the Funds. The operations of the Funds are substantially dependent upon the skill, judgment and expertise of the General Partner and the Investment Manager.

*Lack of Transferability of the Interests.* The Funds are intended for long-term investors who can accept the risks associated with investing primarily in securities that involve a high degree of financial risk. There is no public market for the Interests, and no such market is expected to develop in the future. Investors generally may not sell, transfer, exchange, assign, charge, pledge, mortgage, hypothecate or otherwise dispose of their Interests (or any portion thereof) without the prior written consent of the General Partner, which, in the sole and absolute discretion of the General Partner, may be withheld for any reason or no reason. Prospective investors are required to represent that they will be acquiring their Interests for investment purposes only and not with a view to resale or distribution. The Interests have not been registered under the Securities Act or any state securities laws. Therefore, they are subject to restrictions on transfer under the Securities Act and under certain states' securities laws. Accordingly, the General Partner may require an opinion of counsel satisfactory to the General Partner that, among other things, a proposed transfer of Interests is exempt from registration prior to consenting to any such transfer. It is not anticipated that a market for the Interests will ever develop.

*Lack of Liquidity; Limitations on Withdrawals.* Voluntary withdrawals by investors are limited and may be made only at specified times described elsewhere herein. The General Partner may find it necessary to establish one or more reserves for contingent liabilities, such as in connection with pending litigation, by withholding a certain portion of the amount payable in connection with the withdrawal until resolution of such contingencies. In addition, the General Partner may elect to make a distribution in-kind by distributing securities to a withdrawing investor. There can be no assurances that an investor will be able to sell the securities received for the amount at which the securities were valued for purposes of the withdrawal. The risk of a decline in the value of such securities in the period from the relevant Withdrawal Date to the date upon which such securities are distributed to the withdrawing Investor, and the risk of any loss or delay in liquidating such securities, will be borne by the withdrawing Investor. The General Partner also may require that any Investor withdraw all or a portion of its Capital Account. Distributions, other than permitted withdrawals, are solely at the discretion of the General Partner. It is the intention of the General Partner to accumulate capital in the Partnership and not to make any discretionary distributions (including dividends) to Investors other than with respect to withdrawals. The General Partner will have the right to make withdrawals from time to time.

*Effects of Substantial Withdrawals.* Substantial withdrawals by investors within a limited period of time could compel the Master Fund to liquidate its securities positions more rapidly than otherwise would be desirable, which could adversely affect the amount distributable to the withdrawing Investors and the value of the remaining Interests. In addition, regardless of the period of time within which withdrawals occur, the resulting reduction in the equity base

of the Funds could make it more difficult for the Master Fund to generate trading profits or recoup losses, and could even cause the Master Fund to liquidate positions prematurely.

*Suspension of Withdrawals.* The General Partner may suspend withdrawal rights and the payment of withdrawal proceeds to any Investor, in whole or in part, in the circumstances described herein and in the investor agreements.

*Incentive Allocation.* The Master Fund General Partner may be entitled to receive an Incentive Allocation. The amount allocated to the Master Fund General Partner is variable and cannot be determined in advance. Depending upon the Master Fund's rate of return, the amount allocated to the Master Fund General Partner may be substantial compared to a fee calculated as a percentage of the assets under management, which might be paid to a money manager for managing a comparable amount of money. This could provide an incentive to the Master Fund General Partner to approve more speculative trading strategies or to act to crystallize long-term or short-term capital gain treatment or to crystallize losses in an effort to maximize the Funds rate of return and the Master Fund General Partner's Incentive Allocation. In addition, the Master Fund's capital gains eligible investments are required to be held for more than three (3) years prior to their disposition in order for long-term capital gain tax rates to apply to the Incentive Allocation with respect to any such disposition. This requirement could create an incentive for the Master Fund General Partner to delay the disposition of certain types of investments in an effort to minimize the amount of tax imposed on the Incentive Allocation.

*Valuation Risks.* There can be no guarantee that the value ascribed to any Fund investment will represent the value realized by the Fund upon the disposition of such investment or that could be realized upon an immediate disposition of such investment. As a result, an investor that withdraws all or any portion of its Interest prior to the disposition of such investment may not participate fully in the ultimate profits or losses realized by the Fund, from such investment.

*Use of Unaudited Financial Statements.* Under the Investor agreements, the General Partner will permit withdrawals to be made and additional capital contributions to be accepted at times other than at the end of a fiscal year. At any such time, an interim closing will occur on the basis of unaudited financial statements. Because there may be a greater risk of error when unaudited financial statements are used, individual Investors may be adversely affected by errors, if any, in such unaudited financial statements.

*Litigation.* It is possible that the General Partner, the Investment Manager and/or the Funds may be plaintiffs, defendants or otherwise involved in civil or criminal proceedings, including bankruptcy court proceedings. The expense of litigation related to Fund investment activities, including, but not limited to, expenses related to prosecuting claims, for which there is no guarantee of success, defending against claims by third parties and paying any amounts pursuant to settlements or judgments, and/or other involvement in litigation would generally be borne by the Fund, and would reduce net assets or may, pursuant to applicable law, require investors to return to the Fund distributed capital and earnings.

*Indemnification.* The Investor agreements will contain broad indemnification and exculpation provisions that, among other things, limit the right of the Partnership to maintain an action against the General Partner to recover losses or costs incurred by the Fund as a result of the General Partner's actions or failure to act. The Master Fund Agreement will contain similar provisions that limit the right of the limited partners of the Master Fund to maintain an action against the General Partner to recover losses or costs incurred by the Master Fund as a result

of the General Partner's actions or failure to act. The Investment Management Agreement will contain similar provisions that limit the right of the Partnership to maintain an action against the Investment Manager to recover losses or costs incurred by the Fund as a result of the Investment Manager's actions or failure to act. The agreements with third-party service providers will also extend indemnification by the Partnership to such parties as the Administrator and the prime brokers and custodians.

*Consequences for investors as a result of AEOI.* The Master Fund may take such action as it considers necessary in relation to an investor's holding or withdrawal proceeds, as a result of relevant legislation and regulations, including but not limited to, AEOI, as defined and further detailed in the section of the Offering Memorandum entitled "Cayman Islands – Automatic Exchange of Financial Account Information." Such actions may include, but are not limited to the following: (a) the disclosure by the Master Fund, the Administrator or such other service provider or delegate of the Master Fund, of certain information relating to an investor to the TIA (defined below) or equivalent authority and any other foreign government body as required by AEOI. Such information may include, without limitation, confidential information such as financial information concerning an investor's investment in the Master Fund, and any information relating to any shareholders, principals, partners, beneficial owners (direct or indirect) or controlling persons (direct or indirect) of such investor or (b) the Master Fund may compulsorily withdraw any interests held by an investor in accordance with the terms of the Offering Memorandum and may deduct relevant amounts from a recalcitrant investor so that any withholding tax payable by the Master Fund or any related costs, debts, expenses, obligations or liabilities (whether internal or external to the Master Fund) are recovered from such investor(s) whose action or inaction (directly or indirectly) gave rise or contributed to such taxes, costs or liabilities. Failure by an investor to assist the Master Fund in meeting its obligations pursuant to AEOI may therefore result in pecuniary loss to such investor.

*Cross-Class Liability Risk.* The Fund will issue Interests in multiple classes. However, the Fund is a single legal entity and there is no limited recourse protection for any class. Accordingly, all of the assets of the Funds will be available to meet all of its liabilities regardless of the class to which such assets or liabilities are attributable. In practice, cross-class liability is only expected to arise where liabilities referable to one class are in excess of the assets referable to such class and it is unable to meet all liabilities attributed to it. In such a case, the assets of the Funds attributable to other classes may be applied to cover such liability excess and the value of the contributing classes will be reduced as a result.

*Business and Regulatory Risks of Alternative Investment Funds.* The financial services industry generally, and the activities of alternative investment funds and their managers in particular, have been subject to intense and increasing regulatory scrutiny. Such scrutiny may increase Fund exposure to potential liabilities and to legal, compliance and other related costs. Increased regulatory oversight may also impose additional administrative burdens on the General Partner and/or the Investment Manager, including, without limitation, responding to examinations, investigations, and document requests, implementing new policies and procedures and complying with recordkeeping and reporting obligations. Such burdens may divert such parties' time, attention and resources from portfolio management activities.

The regulatory environment for alternative investment funds is evolving, and changes in the regulation of private funds and their investing activities may adversely affect the ability of the Funds to pursue its investment program, the value of the investments held by the Fund and the Fund's ability to obtain leverage. There has been an increase in governmental, as well as self-regulatory, scrutiny of the alternative investment industry in general. It is impossible to predict whether changes in regulations may occur, but any regulations that restrict the Fund's

activities could have a material adverse effect on Fund investments. In addition, such regulatory scrutiny may increase Fund exposure to potential liabilities and to legal, compliance and other related costs.

The Offering Memorandum cannot address or anticipate every possible current or future regulation that may affect the General Partner, the Investment Manager, the Funds or their businesses. Such regulations may have a significant impact on the Funds, including, without limitation, restricting the types of investments the Funds may make, preventing the Funds from exercising its voting rights with respect to certain financial instruments, requiring the Funds to disclose the identity of its investors or otherwise. The General Partner may, in its sole and absolute discretion, cause the Funds to be subject to such regulations if it believes that an investment or business activity is in the interest of the Funds, even if such regulations may have a detrimental effect on one or more investors. Prospective investors are encouraged to consult their own advisors regarding an investment in the Funds.

*Misconduct of Employees and of Third-Party Service Providers.* Misconduct by employees or by third-party service providers could cause significant losses to the Funds. Employee misconduct may include binding the Funds to transactions that exceed authorized limits or present unacceptable risks and unauthorized trading activities or concealing unsuccessful trading activities (which, in either case, may result in unknown and unmanaged risks or losses). Losses could also result from actions by third-party service providers, including, without limitation, from the failure to recognize trades and the misappropriation of assets, including situations where third-party service providers may act as directors, trust companies or in a similar capacity that may give such third-party service providers signing authority over certain Fund assets. In addition, it is possible that employees and third-party service providers may improperly use or disclose confidential information of the Funds, which could result in litigation or serious financial harm, including limiting the business prospects or future marketing activities of the Funds.

In addition, without any misconduct, employees and third-party service providers may make errors that cause significant losses to the Funds and its investors, including, among others, with respect to the calculation of net asset value, the handling of assets and wiring of withdrawal proceeds, the handling of personal information, the negotiation of contracts, the maintenance of data, or the safeguarding of one or more of the Investment Manager's systems.

*Limited U.S. Regulatory Oversight.* In reliance upon a statutory exemption for privately offered investment companies, the Funds have not registered as an investment company under the Investment Company Act or the laws of any country or jurisdiction. Therefore, the protections afforded by the Investment Company Act to investors in registered investment companies will not be available to the Investors. Among other things, the Investment Company Act generally requires registered investment companies to have a majority of disinterested directors, requires securities held in custody to be segregated by ownership at all times and to be marked clearly as the property of such investment company and regulates the relationship between the investment adviser and the investment company. The Interests have not been registered under the Securities Act or the securities laws of any state in the U.S., nor is it expected that they will be. The Funds have no plans nor have assumed any obligations to register these Interests.

*Investors Subject to Regulation.* Certain prospective investors may be subject to local, national and international rules and regulations that may regulate their participation in the Funds. Each type of organization may be subject to different laws, rules and regulations, and such

prospective investors should consult with their own advisors as to the advisability and tax consequences of an investment in the Funds. Investment in the Funds by employee benefit plans or entities subject to ERISA, and other U.S. tax-exempt entities requires special consideration. Trustees, fiduciaries or administrators of such plans or entities are urged to review the matters discussed in the Offering Memorandum carefully. In particular, entities subject to ERISA and U.S. tax-exempt entities should consider the applicability to them of the provisions relating to UBTI.

*Benefit Plan Regulatory Risks.* Although benefit plan investors may purchase Interests in the Funds, the General Partner currently intends to limit investment in the Funds by “benefit plan investors” (as described under “CERTAIN CONSIDERATIONS APPLICABLE TO ERISA, GOVERNMENTAL AND OTHER PLAN INVESTORS”) so that the assets of the Master Fund will not be treated as “plan assets” subject to Title I of ERISA or to Section 4975 of the U.S. Internal Revenue Code of 1986, as amended (the “Code”). Accordingly, the Master Fund does not anticipate that it, the General Partner or the Investment Manager will be subject to the fiduciary or other requirements of ERISA, the prohibited transaction rules of ERISA or the Code or any other related requirements with respect to any investing benefit plan investor. However, if the Master Fund were at any point deemed to hold “plan assets” for purposes of ERISA or the Code, the Master Fund thereafter would have to be operated in compliance with the applicable provisions of ERISA and the Code, which might adversely affect the ability of the General Partner and/or the Investment Manager to fully satisfy their contractual obligations to the Master Fund.

*Master-Feeder Structure.* The Onshore Fund and the Offshore Fund will invest all of their investable assets through a “master-feeder” structure in the Master Fund. Although a common investment fund structure, the “master-feeder” fund structure presents certain unique risks to investors. For example, a smaller feeder fund investing in the Master Fund may be materially affected by the actions of a larger feeder fund (or larger direct investor) investing in the Master Fund. If a larger feeder fund (or larger direct investor) withdraws from the Master Fund, the remaining feeder fund may experience higher *pro rata* operating expenses, thereby producing lower returns. The Master Fund may become less diverse due to a withdrawal by a larger feeder fund or direct investor, resulting in increased portfolio risk. Expenses or liabilities of the Master Fund arising from any legal proceedings by or against the Master Fund would be borne by the Master Fund, and creditors of the Master Fund may enforce claims against all assets of the Master Fund.

The Investment Manager cannot enter into separate transactions or make different investment decisions with respect to the Onshore Fund and the Offshore Fund. Accordingly, all transactions entered into and investment decisions made by the Investment Manager on behalf of the Master Fund will affect both the Onshore Fund and the Offshore Fund, notwithstanding that the Limited Partners of the Onshore Fund and the shareholders of the Offshore Fund may have different tax concerns. The “master-feeder” structure may therefore result in transactions and investment decisions that are less tax-efficient for the Limited Partners than they would be if the Onshore Fund and the Offshore Fund were “parallel funds” that directly engaged in transactions and made investment decisions.

*Possible Adverse Tax Consequences.* The Onshore Fund expects to be classified as a partnership for U.S. federal income tax purposes and not as an association taxable as a corporation. No representation or warranty of any kind is made with respect to the tax consequences of an investment in the Onshore Fund. Potential investors are advised to consult their own tax advisors with respect to the tax consequences to them of an investment in the Onshore Fund. Partners that qualify as U.S. tax-exempt entities may experience adverse

U.S. federal income tax consequences as a result of an investment in the Onshore Fund. In particular, an investment in the Onshore Fund by a U.S. tax-exempt entity may generate UBTI upon which U.S. federal income tax may be levied. UBTI generally would arise if (i) the Funds (or a partnership or other “pass-through” entity in which it invests) were to utilize leverage in its activities or were engaged in a trade or business unrelated to the exempt purposes of the relevant tax-exempt entity; or (ii) the tax-exempt entity were to leverage its investment in the Onshore Fund. Because the General Partner anticipates that the Funds, among other things, may utilize leverage with respect to its activities, U.S. tax-exempt entities should anticipate that an investment in the Onshore Fund could result in the recognition of UBTI. A non-U.S. investor may be treated as engaged in a trade or business in the U.S., be taxed on its share of income or gain or loss on the disposition of an Interest in the Onshore Fund that is treated as ECI and be required to file U.S. income tax returns. As such, U.S. tax-exempt and non-U.S. investors are advised to consult their own tax advisors with respect to issues involving UBTI and ECI. See “CERTAIN U.S. FEDERAL INCOME TAX CONSIDERATIONS.”

*Accounting for Uncertainty in Income Taxes.* In June 2006, the Financial Accounting Standards Board (“FASB”) released final Interpretation No. 48, Accounting for Uncertainty in Income Taxes (which is now known as “ASC 740”), to provide consistent guidance on the recognition of uncertain tax positions. ASC 740 applies to all tax positions related to income taxes subject to FASB Statement 109, Accounting for Income Taxes. ASC 740 prescribes the minimum recognition threshold that a tax position is required to meet before being recognized in an entity’s financial statements. It also provides guidance on derecognition, measurement, classification and interest and penalties with respect to tax positions. A prospective investor should be aware that, among other things, ASC 740 could have a material adverse effect on the periodic calculations of the net asset value of the Funds, including reducing the net asset value of the Funds to reflect reserves for income taxes that may be payable in respect of prior periods by the Onshore Fund. This could cause benefits or detriments to certain investors depending upon the timing of their entry to and exit from the Onshore Fund. It is also possible that the application of ASC 740 could result in the permanent loss of a tax benefit that otherwise may have been realized.

*Delayed Schedules K-1.* The Funds may be unable to provide the final Schedule K-1 to Partners for any given fiscal year until after April 15 of the following year. The General Partner will endeavor to provide Partners with estimates of the taxable income or loss allocated to their investment in the Partnership on or before such date, but the final Schedule K-1 may not be available until completion of the Partnership’s annual audit. Partners may be required to obtain extensions of the filing date for their income tax returns at the federal, state and local levels.

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**Item 9: Disciplinary Information**

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To the best of our knowledge, there are no legal or disciplinary events that are material to an Investor's or prospective investor's evaluation of our advisory business or the integrity of our management.

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

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Neither we nor our management persons are registered as broker-dealers, and neither of us has any application pending to register with the SEC as a broker-dealer or registered representative of a broker-dealer, respectively.

**Relationships or Arrangements with Third Parties**

As noted above, Stillpoint currently provides discretionary investment management services to the Funds. While the investment strategies of the Funds (which are described in the section entitled “Methods of Analysis, Investment Strategies and Risk of Loss – Method of Analysis and Investment Strategy” in Item 8 above) are generally different from the investment strategy under the Contribution Client, there may be overlap in the investment opportunities that are appropriate for the Funds and the Contribution Client, which could create a conflict of interest. See sections entitled “Methods of Analysis, Investment Strategies and Risk of Loss” in Item 8 above for a description of such potential conflicts. Stillpoint may engage in future relationships similar to its relationship with the Contribution Client.

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

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

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

- Employees must at all times place the interests of the Funds and Investors first;
- Employees must ensure that all personal securities transactions are conducted consistent with the Code of Ethics’ Employee Personal Investment Policy (described below); and
- Employees should not take inappropriate advantage of their position at the Investment Manager.

Employees are not permitted to maintain personal brokerage accounts for the purpose of trading “**Reportable Securities**” (as defined in the Code of Ethics, and which includes a wide variety of investments such as stocks, bonds, fixed income, options, warrants, futures, and derivatives) except for the purpose of holding or liquidating any such holdings after the commencement of employment. Employees are permitted to liquidate positions held at the time of employment in Reportable Securities (a “**Liquidating Trade**”) subject to pre-clearance by the CCO. Employees are prohibited from participating in Initial Public Offerings (“**IPOs**”). Employees are also prohibited from personally, or on behalf of a Client, purchasing or selling securities that appear on the Investment Manager’s Restricted List.

Employees must obtain pre-approval from the CCO before: (i) engaging in any outside business activities; or (ii) making any private investments.

We will provide a copy of our Code of Ethics to our Investors, or any prospective investor, upon request, to be viewed on the premises.

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**Item 12: Brokerage Practices**

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Stillpoint is authorized to determine the broker-dealer to be used for executing securities transaction for the Funds. In selecting broker-dealers to execute transactions, we do not need to solicit competitive bids and do not have an obligation to seek the lowest available commission cost. It is not our practice to negotiate “execution only” commission rates; therefore, the Funds may be deemed to be paying for research, brokerage or other services provided by the broker which are included in the commission rate.

We shall also have the authority to select and appoint custodians of the assets of the Funds. The Investment Manager’s authority is limited by its own internal policies and procedures and each Fund’s investment guidelines.

***Best Execution***

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

***Soft Dollars***

The Investment Manager may use “**Soft Dollars**”. In such cases, Soft Dollar credits, generated by the Fund’s trading activities, would be used to purchase brokerage and research services or products that would otherwise have been Fund expense. We intend to keep any such arrangements within the parameters of the safe harbor of Section 28(e) of the Exchange Act.

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

The provision by a broker of research and other services and property to us creates an incentive for us to select such broker since we would not have to pay for such research and other services and property as opposed to solely seeking the most favorable execution for a client. Any research, services or property provided by a broker may benefit any client and such benefits may not be proportionate to commission dollars related to the provision of such research, services or property.

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**Item 13: Review of Accounts**

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Our Portfolio Manager and investment professionals continuously monitor and analyze the transactions, positions, and investment levels of the Fund to ensure that they conform with the investment objectives and guidelines that are stated in the Fund’s Offering Documents. In

these reviews, the Investment Manager pays particular attention to any changes in the investment's fundamentals, overall risk management and changes in the markets that may affect price levels.

### ***Account Reporting***

We perform various periodic reviews of each client's portfolio. Such reviews are conducted by our officers.

We will distribute an audited financial report with respect to the previous fiscal year to all Investors within 120 days of fiscal year end. We may also distribute quarterly unaudited net asset value statements, quarter-end performance reports, and a quarterly investor letter to all Investors.

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

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We do not receive economic benefits from non-clients for providing investment advice and other advisory services. Neither we nor any of our related persons, directly or indirectly, compensate any person who is not a supervised person for client referrals.

While we do not utilize third-party marketers / placement agents to receive client referrals, the Investment Manager does contribute to a third-party (the "**Contribution Client**") for its security rankings in its TOPSXT publication. A placement feature in the TOPSXT publication involves compensation from the Contribution Client of a nominal fee, and compliance approval involving a completion of due diligence questionnaire and attestation certifying to TOPSXT Guidelines.

### **Item 15: Custody**

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We will be deemed to have custody of Client funds and securities because we have 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 Client's account. Account statements related to the Clients are sent by qualified custodians to Stillpoint.

We will comply with Rule 206(4)-2 of the Investment Advisers Act of 1940, as amended (the "**Advisers Act**") (i.e., the "custody rule") by meeting the conditions of the pooled vehicle annual audit approach. Upon completion of the relevant Fund's annual audit by an independent auditor that is registered with, and subject to inspection by, the Public Company Accounting Oversight Board (PCAOB), we will distribute the Fund's audited financials to Investors within 120 days of such Fund's fiscal year end.

### **Item 16: Investment Discretion**

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We will have full discretionary investment authority with respect to the Funds, including authority to make decisions with respect to which securities to be bought and sold, as well as the amount and price of those securities.

**Item 17: Voting Client Securities**

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In compliance with Rule 206(4)-6 of the Advisers Act (i.e., the “proxy voting rule”), we have adopted proxy voting policies and procedures. The general policy is to vote all proxy proposals, amendments, consents or resolutions (collectively, “**Proxies**”) in a prudent and diligent manner that will serve the applicable Client’s best interests and is in line with the Client’s investment objectives.

We may take into account all relevant factors, as determined by us in our discretion, including, without limitation:

- the impact on the value of the securities or instruments owned by the relevant client and the returns on those securities;
- the anticipated associated costs and benefits;
- the continued or increased availability of portfolio information; and
- industry and business practices.

Generally, clients may not direct our vote in a particular solicitation.

Clients may obtain a copy of our Proxy voting policies and our Proxy voting record upon request.

**Item 18: Financial Information**

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We are not required to include a balance sheet for our most recent fiscal year, are not aware of any financial condition reasonably likely to impair our ability to meet contractual commitments to Clients, and have not been the subject of a bankruptcy petition at any time during the past ten years.