

Brochure of
Criterion Capital Management, LLC

4 Embarcadero Center, Suite 3450
San Francisco, California 94111
(415) 834-3500

www.criterionmgt.com

March 28, 2017

This brochure (the “Brochure”) provides information about the qualifications and business practices of Criterion Capital Management, LLC (“Criterion”). If you have any questions about the contents of this Brochure, please contact Melissa Wheeler at (415) 834-3500. The information in this Brochure has not been approved or verified by the United States Securities and Exchange Commission (the “SEC”) or by any state securities authority.

Criterion is registered as an investment adviser with the SEC. Registration with the SEC or with any state securities authority does not imply a certain level of skill or training.

Additional information about Criterion also is available on the SEC’s website at www.adviserinfo.sec.gov.

Item 2. Material Changes

Since the last Brochure update, dated February 12, 2016, Criterion's Brochure has been updated to reflect the following:

- Conflicts of interest associated with the allocation of expenses to client accounts.

Item 3.	Table of Contents	
Item 1.	Cover Page	1
Item 2.	Material Changes	2
Item 3.	Table of Contents	3
Item 4.	Advisory Business	4
Item 5.	Fees and Compensation	5
Item 6.	Performance-Based Fees and Side-By-Side Management	7
Item 7.	Types of Clients	7
Item 8.	Methods of Analysis, Investment Strategies and Risk of Loss.....	8
Item 9.	Disciplinary Information.....	16
Item 10.	Other Financial Industry Activities and Affiliations	16
Item 11.	Code of Ethics, Participation or Interest In Client Transactions and Personal Trading	16
Item 12.	Brokerage Practices	17
Item 13.	Review of Accounts	20
Item 14.	Client Referrals and Other Compensation	20
Item 15.	Custody	20
Item 16.	Investment Discretion	20
Item 17.	Voting Client Securities	21
Item 18.	Financial Information.....	22

Item 4. Advisory Business

Criterion is a California limited liability company that has been in business since 2002. It serves as the general partner of investment limited partnerships and as the investment adviser to offshore funds. Criterion is owned by Christopher Lord, David Riley, Tomoko Fortune, John Micek, Jeff Sanguinet, and Louis Chang, directly or through trusts for their respective benefits. As of December 31, 2016, Criterion had total regulatory assets under management of approximately \$3,374,453,345 managed on a discretionary basis.

Criterion invests principally in equity and equity-related securities that are traded publicly in U.S. markets, with a focus on technology, media and telecommunications companies. In addition to common stocks, Criterion invests in other types of securities, including preferred stocks, warrants, options, futures, other derivatives and money market instruments. It takes both long and short positions and engages in margin trading and hedging strategies. Criterion is authorized to enter into any type of investment transaction that it deems appropriate under the terms of a fund's partnership agreement or client's investment management agreement.

Criterion serves as the investment adviser, with discretionary trading authority, to private pooled investment vehicles, the securities of which are offered to investors on a private placement basis and separately managed accounts (collectively with the funds, "Clients"). The funds include:

1. Criterion Capital Partners Master Fund, L.P., a Cayman Islands exempted limited partnership (the "Capital Partners Master Fund"), which serves as the master fund into which Criterion Institutional Partners, L.P., Delaware limited partnership (the "Capital Partners Domestic Fund") and Criterion Capital Partners Ltd., a Cayman Islands exempted company (the "Capital Partners Offshore Fund") (collectively the "Capital Partners Funds"), invest substantially all of their assets through a "master feeder" structure;
2. Criterion Horizons Master Fund, L.P., a Cayman Islands exempted limited partnership (the "Horizons Master Fund"), which serves as the master fund into which the Criterion Horizons Fund, L.P., a Delaware limited Partnership (the "Horizons Domestic Fund") and Criterion Horizons Offshore Ltd., a Cayman Islands exempted company (the "Horizons Offshore Fund") (collectively the "Horizons Funds"), invest substantially all of their assets through a "master feeder" structure;
3. Criterion Vista Master Fund, L.P., a Cayman Islands exempted limited partnership (the "Vista Master Fund"), which serves as the master fund into which the Criterion Vista Fund, L.P., a Delaware limited Partnership (the "Vista Domestic Fund") and Criterion Vista Offshore Ltd., a Cayman Islands exempted company (the "Vista Offshore Fund") (collectively the "Vista Funds") invest substantially all of their assets through a "master feeder" structure; and
4. Criterion Software and Security Opportunities Master Fund, L.P., a Cayman Islands exempted limited partnership (the "Software and Security Master Fund"), which serves as the master fund into which the Criterion Software and Security

Opportunities Fund, L.P., a Delaware limited Partnership (the “Software and Security Domestic Fund”) and Criterion Software and Security Opportunities Fund, Ltd., a Cayman Islands exempted company (the “Software and Security Offshore Fund”) (collectively the “Software and Security Funds”) invest substantially all of their assets through a “master feeder” structure.

The Capital Partners Funds, Horizons Funds, Vista Funds, and Software and Security Funds are each a “Fund” and collectively referred to as the “Funds.”

The Capital Partners Domestic Fund, Horizons Domestic Fund, Vista Domestic Fund, and Software and Security Domestic Fund are collectively known as the “Domestic Funds.” The Capital Partners Offshore Fund, Horizons Offshore Fund, Vista Offshore Fund, and Software and Security Offshore Fund are collectively the “Offshore Funds.” The Capital Partners Master Fund, Horizons Master Fund, Vista Master Fund and Software and Security Master Fund are collectively known as the “Master Funds.”

The investors in the Funds (the “Investors”) have no opportunity to select or evaluate any fund investments or strategies. Criterion selects all Fund investments and strategies.

Information about the Funds included in this Brochure is qualified in its entirety by information in the Fund’s confidential private placement memorandums, investment management agreements, limited partnership agreements, and other governing documents (the “Governing Documents”). Investors and prospective Investors in the Funds should refer to the Governing Documents for complete information on the investment objectives and investment restrictions with respect to the Funds. There is no assurance that any of the Funds’ investment objectives will be achieved. This Brochure is designed solely to provide information about Criterion and should not be considered to be an offer of interests in any Criterion Funds. Any such offer may be made only by delivery to the prospective Investor of the Governing Documents of the relevant Fund under consideration.

Item 5. Fees and Compensation

Criterion typically charges an annualized fee of 1.0% to 1.5% (depending on the Client and liquidity terms) of a Client’s assets under management, which is payable in quarterly installments at the beginning of each calendar quarter based on the net market value of each Client’s account on the date the fee accrues and becomes payable. Criterion also typically is allocated from each Client, and Investor, where applicable a performance allocation equal to 15% to 20% (depending on the Client and liquidity terms) of net profits (including both realized and unrealized gains and losses).

Criterion’s Domestic Funds and Offshore Funds invest through their applicable Master Funds organized as limited partnerships, and such Master Funds pay Criterion management fees and allocate to it performance allocations with respect to the applicable Domestic Funds and Offshore Funds. Criterion in its role as investment adviser to the Funds, has in the past and may from time to time in the future agree to supplements, clarifications, or variations of the terms of a Fund’s Governing Documents in “side letters” or similar agreements.

Criterion may waive or reduce all or part of any annualized fee or performance allocation with respect to any Investor, in any period. For example, for certain partners, employees, independent contractors and affiliates of Criterion, certain persons with whom Criterion and its affiliates have a close personal or business relationship, and their families.

Performance allocations are assessed in arrears on an annual basis, and are only applied to the portion of profits that exceeds the cumulative losses previously allocated to or incurred by Clients. Criterion complies with Rule 205-3 under the Investment Advisers Act of 1940, to the extent required by applicable law. Performance allocations create an incentive for Criterion to make more risky and speculative investments than it would otherwise make.

In all cases, expenses, the pro rata portion of the management fee and the performance allocation through the date of withdrawal or termination, are charged to Investors. An Investor who withdraws from a Fund on a date other than the last day of a quarter receives a refund of a pro rata portion of the management fee previously paid for that quarter and is charged a performance allocation with respect to the amount withdrawn for the period ending on the withdrawal date.

Criterion bears its own operating and administrative costs and expenses, without reimbursement by Clients. The costs of certain services are paid, however, by brokerage firms to which Criterion directs the Clients' securities trades, as discussed in Item 12 below.

To the extent provided in the applicable Fund's Governing Documents, the Funds bear all expenses incidental to their operation and securities transactions. Such expenses include without limitation, (a) all trading costs and expenses incurred, by the Master Funds (such as brokerage commissions and charges, expenses relating to short sales, clearing and settlement charges, option premiums and custodial and service fees), (b) all interest and commitment fees on loans and debit balances (on margin or otherwise), (c) all costs and expenses of negotiating and entering into contracts and arrangements and making investments in the Master Funds (such as brokerage, legal, accounting, investment banking, appraisal and other professional and consulting fees and expenses arising from particular investments and potential investments), and similar expenses in terminating those contracts and arrangements and disposing of the Master Funds' investments, (d) all costs and expenses incurred in attempting to protect or enhance the value of investments (including the costs of instituting and defending lawsuits), (e) all income taxes, withholding taxes, transfer taxes and other governmental charges and duties, (f) all fees and charges of custodians, clearing agencies and banks, (g) all legal, auditing, tax preparation and other professional, expert and consulting fees and expenses arising in connection with the Funds' activities (including fees and expenses of counsel for the Funds, Criterion or its officers and managers arising in connection with their services to the Funds and fees and expenses incurred in connection with regulatory filings relating to the Funds), (h) research costs and costs of quotation services and equipment and news wire services, (i) all fees, costs and expenses of accounting, auditing and recordkeeping services of each Fund's administrator or any similar service provider retained by a Fund or Criterion to assist it in performing these services for the Fund, (j) all fees, costs and expenses of offering and selling Fund interests (including, without limitation, legal and accounting fees and expenses, and governmental and self-regulatory agency filing fees, costs and expenses), (k) all premiums and other costs and expenses of insurance policies as Criterion considers appropriate, insuring the Funds, Criterion and their affiliates against liabilities in connection with the business or management of the Funds, (l) organizational

expenses; (m) the fees and expenses of each Fund's directors (as applicable), (n) the costs of maintaining certain Funds' registered office in the Cayman Islands or any other jurisdiction, (o) the costs of maintaining any appropriate registrations of the Funds, (p) any contingencies for which the Funds or Criterion determines reserves are required and (q) any extraordinary expenses (such as litigation expenses). The Domestic Funds and the Offshore Funds also bear their proportionate share of the foregoing costs and expenses incurred by their applicable Master Funds.

To the extent provided in the applicable Client's investment management agreements, the separately managed accounts are responsible for their own costs and expenses, as agreed upon in the investment management agreement. Such expenses include, without limitation, all brokerage fees and commissions, expenses relating to short sales, clearing and settlement charges, custodial fees, fees and expenses charged by their administrator, expenses incurred in connection with a transaction or a potential transaction, and any administrative or other non-operating expenses relating to the Account. Clients receiving risk reporting including third-party risk aggregator services do so at the expense of Client.

Criterion seeks to allocate expenses fairly, equitably, and consistent with the documents governing the Company's relationship with each Fund or Client. In certain instances where Criterion allocates expenses, Criterion must interpret the Funds' Governing Documents and make determinations whether expenses are allocated and paid, in full or in part, by a Fund, multiple Funds or Client accounts, and/or Criterion itself, which creates a conflict of interest. Criterion has implemented written guidelines designed to mitigate conflicts of interest when allocating such expenses. Any expenses common to more than one Fund or Client will be paid by all applicable Clients based on a methodology chosen by Criterion in its sole discretion. For example, certain legal expenses are allocated equally among all Clients that incur such expenses. Other expenses may be allocated pro rata based on each Client's assets under management, or allocated based on the time or resources consumed by each Client. If any Client would otherwise be responsible for a share of an expense in common with other Clients, but does not do so (e.g., because the Client has agreed with Criterion that it will not pay such expenses), then that Client's applicable share of the expense will be paid by Criterion.

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

Criterion generally manages only accounts that pay performance-based compensation as described in Item 5. It does not manage accounts that do not pay performance-based compensation. As a result, Criterion and its 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.

Item 7. Types of Clients

Criterion currently provides investment advice to the Funds and separately managed accounts, as described in Item 4.

Criterion generally requires a minimum initial investment of \$1,000,000 for investors in the Funds. Each investor is required to meet certain suitability qualifications, such as being a “qualified purchaser” within the meaning set forth under the United States federal securities laws. Criterion generally requires a minimum initial investment of \$100,000,000 for separately managed accounts. These minimums may be waived by Criterion in its discretion.

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

Investment Strategies

Criterion’s investment strategies all seek long-term capital appreciation but differ with respect to their degrees of concentration and risk exposure. Each Criterion strategy involves investing, long and short, in a diversified portfolio of public equities selected primarily from the global technology, media and telecommunications sectors. Criterion invests in both growth and turn around companies.

Criterion utilizes a fundamental research process, performing proprietary due diligence to select investments that it believes meet compelling risk/reward thresholds. Criterion selects investments based on the principle that earnings, revenue growth, and/or cash flow ultimately determine security prices.

Criterion constructs long portfolios for Clients based primarily on a bottom-up, fundamental research process aimed at identifying companies that are positioned to generate excess revenue, cash flow and/or earnings at a rate higher than is expected. Criterion makes investment selections based on fundamental research that generally consists of numerous conversations with management, as well as customer and supplier reference checks, senior management reference checks and conversations with outside research firms and/or sell-side analysts.

Criterion combines fundamental research with balance sheet and cash flow analysis to construct short portfolios for its Clients. Criterion determines short-sale candidates with weak quality of earnings characteristics through screening programs and manual financial statement reviews, while fundamental research efforts focus on identifying sectors or individual companies whose fundamentals are deteriorating, as well as specific catalysts that Criterion believes will cause a company’s stock price to decline.

The investment strategies summarized above are general in nature and are not exhaustive. Except as specified in any Fund Governing Document or Client’s investment management agreement, Criterion may use any trading or investment techniques, whether or not contemplated by the expected investment strategies described above, that it considers appropriate and in Clients’ interest.

Risk Factors

Investing in securities involves risk of loss that Clients should be prepared to bear. Below are some of the risks that Clients and Investors should consider before investing in any account that Criterion manages. Any or all of these risks could materially and adversely affect investment performance, and could cause investors to lose substantial amounts of money. Below is only a

brief summary of some of the risks that a Client or Investor may encounter. Potential investors in a Fund should review the Fund's Governing Documents carefully, consult with their professional advisers, and discuss with Criterion's representatives any questions they have before deciding whether to invest.

Investment Risks – General. Criterion causes the Domestic Funds and Offshore Funds to invest all of their investible capital in the applicable Master Funds and Clients, to invest in securities and other intangible investment instruments, engage in short sales of securities and trade in publicly traded and over-the counter options. While most of these instruments are expected to be traded in public markets, markets for such instruments in general fluctuate and the market value of any particular investment may vary substantially. In addition, some such securities may be issued by unseasoned companies and may be highly speculative. Investments are highly speculative and not intended as a complete investment program. The portfolio may not generate any income or appreciate in value, and Clients may not be able to realize any appreciation that may occur.

Criterion can never learn all relevant information regarding a company or a security. Further, Criterion may misinterpret or incorrectly analyze the information that it has about a particular company or security. These and other factors may cause Criterion to (a) invest in securities at times that will lead to losses in a Client's portfolio and may cause an Investor to lose a significant portion of its investment in the Client or (b) refrain from investing in particular securities at times that would have resulted in gains in the Client's portfolio if Criterion had caused the Client to invest.

Concentration of Investments; Volatility. The market risk and volatility to which a concentrated portfolio is exposed generally is greater than, and may be substantially greater than, the market risk and volatility of a diversified portfolio. The Clients' portfolios are expected to be concentrated in the technology, media and telecommunications sectors. Such concentration increases volatility and risk. Moreover, certain Clients' portfolios may be comprised at times of only a small number of companies. As a result, such Clients' portfolios may be more susceptible to fluctuations in value than a diverse portfolio would be. In addition, no minimum level of capital is required to be maintained by the Clients. As a result of losses or redemptions, the Clients may not have sufficient Clients to implement their objectives or to diversify their investments even to the limited extent desired or currently contemplated by Criterion.

Investing in Technology Companies. Investing in securities and other instruments of technology companies involves substantial risks. These risks include: the fact that certain companies in the portfolio may have limited operating histories; rapidly changing technologies and products which may quickly become obsolete; cyclical patterns in information technology spending which may result in inventory write-offs, cancellation of orders and operating losses; scarcity of management, engineering and marketing personnel with appropriate technological training; the possibility of lawsuits related to technological patents; changing investors' sentiments and preferences with regard to technology sector investments (which are generally perceived as risky) with their resultant effect on the price of underlying securities; and volatility in the U.S. stock markets affecting the prices of technology company securities, which may cause the performance of the Clients to experience substantial volatility.

Limited Liquidity of Investments. Although Criterion will cause the Clients to engage in investments that are generally liquid, it may from time to time cause the Clients to invest in thinly traded and relatively illiquid securities, securities that may not be traded at the time the Clients invest, and securities that may cease to be traded after the Clients invest. Criterion also may occasionally cause the Clients to acquire significant positions in some securities. In such cases and in the event of extreme market activity, Criterion may not be able to liquidate the Clients' investments promptly if necessary. In addition, the Clients' sales of thinly traded securities could depress the market value of those securities and thereby reduce the Clients' profitability or increase its losses. Criterion may not be able to resell, close or cover some of the Clients' positions for extended periods, which may be several years, or at all. This illiquidity could affect the Clients' gain or loss materially and adversely.

Criterion's investments on behalf of the Clients in securities that present liquidity issues, although infrequent, may involve significant business and financial risk and can result in substantial or complete loss.

Short Sales. Criterion may cause the Clients to sell securities short. A short sale results in a gain if the price of the securities sold short decline between the date of the short sale and the date on which securities are purchased to replace those borrowed. A short sale results in a loss if the price of the securities sold short increases. Any gain is decreased, and any loss is increased, by the amount of any payment, dividend or interest that the applicable Client may be required to pay with respect to the borrowed securities, offset (wholly or partly) by short interest credits. In a generally rising market, the short positions that Criterion has caused Clients to acquire may be more likely to result in losses because securities sold short may be more likely to increase in value. A short sale involves a finite opportunity for appreciation, but a theoretically unlimited risk of loss.

To make a short sale, Criterion must cause the Clients to borrow the securities being sold short. It may be impossible to borrow securities at the most desirable time to make a short sale, particularly in illiquid securities markets. In addition, special rules, which differ from jurisdiction to jurisdiction, apply to short sales. If the prices of securities sold short increase, Criterion may be required to cause the Clients to provide additional Clients or collateral to maintain the short positions. This could require Criterion to liquidate other Client investments to provide additional collateral. Such liquidations might not be at favorable prices. Further, the lender can request the return of the borrowed securities and the Clients may not be able to borrow those securities from other lenders. This would cause a "buy-in" of the short position, which may be disadvantageous to the Clients.

Some market participants seek to exploit short-sellers such as Criterion (and, by extension, the Clients) by identifying and buying large quantities of securities that are significantly shorted in an attempt to benefit from the price increase that the participants expect when the short sellers buy the securities to cover the short sales. If these so-called "short squeezes" are executed successfully, as described above, Criterion may be required to cause the Clients to cover their short positions at a disadvantageous time regardless of Criterion's view of the true value of the securities, thereby causing significant losses.

General Risks of Leverage. Criterion may cause Clients to use leverage by engaging in short sales, borrowing on margin, entering into swaps and other derivative contracts and other leveraging strategies. Such leverage increases the risk of loss and volatility. In addition, using leverage requires Criterion to pledge Clients' assets as collateral. Margin calls or changes in margin requirements can require Criterion to pledge the Clients' additional collateral or liquidate their holdings, which could require the Client to sell portfolio securities at substantial losses that they otherwise would not realize.

Options and Futures. Criterion may cause the Clients to trade in exchange-traded and over-the-counter derivatives, including, but not limited to, futures, swaps, options and contracts for differences. These instruments can be highly volatile and expose the Clients 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, depending on the type of instrument, a relatively small change in the price of the contract may result in a profit or a loss that is high in proportion to the Clients' Clients actually placed as initial collateral and may result in unquantifiable further loss exceeding any collateral deposited. These changes are extremely difficult to predict.

In addition, if Criterion causes the Clients to purchase options that it does not cause the applicable Clients to sell or exercise, it will lose the premium paid in such purchase. If Criterion causes the Clients to sell call options and must deliver the underlying securities at the option strike price, the Clients theoretically have an unlimited risk of loss if the price of such underlying securities increases. If Criterion causes the Clients to sell put options and the Clients must therefore buy the underlying securities, the Clients risk the loss of the difference between the market price of the underlying securities and the option strike price. Further, if Criterion causes the Clients to sell meaningfully out-of-the-money put or call contracts, the Clients may incur substantial losses if these contracts unexpectedly progress into-the-money. Any gain or loss from the sale or exercise of an option is reduced or increased, respectively, by the amount of the premium paid. The expenses of option investing include commissions payable on the purchase and on the exercise or sale of an option. Criterion may also cause the Clients to sell covered and uncovered options on securities. To the extent that such options are uncovered, the Clients could incur an unlimited loss.

Daily limits on price fluctuations and speculative position limits on exchanges may prevent prompt liquidation of positions resulting in potentially greater losses. Transactions in over-the-counter contracts may involve additional risk as there is no exchange market on which to close out an open position. It may be impossible to liquidate an existing position, to assess the value of a position or to assess the exposure to risk. Contractual asymmetries and inefficiencies can also increase risk, such as break clauses, whereby a counterparty can terminate a transaction on the basis of a certain reduction in the Clients' net asset value, incorrect collateral calls or delays in collateral recovery.

Special risks are associated with using derivatives. Deciding whether, when and how to use derivatives involves different skills and judgment than those needed to select portfolio securities. Even a well-conceived transaction may be unsuccessful to some degree because of market behavior, currency fluctuations or interest rate trends. If Criterion incorrectly forecasts market values or other relevant factors, the Clients may be in a worse position than if Criterion had not

engaged in derivatives transactions. When derivatives are used for hedging, there may be no correlation between price movements in the derivative and in the portfolio securities being hedged. A lack of correlation could result in a loss on both the hedged securities and the hedging vehicle, so that the Clients' return might have been better had Criterion not attempted to hedge.

Derivative instruments can be difficult to value accurately. Any mistaken valuation could adversely affect one or more Investors.

Risk of Default by Counterparties, Brokers and Exchanges. The Clients will be exposed to the credit risk of the counterparties with which, or the brokers, dealers and exchanges through which, Criterion causes them to deal, whether they engage in exchange-traded or off-exchange transactions. Criterion may subject the Clients to risk of loss of their assets on deposit with a broker in the event of the broker's bankruptcy, the bankruptcy of any clearing broker through which the broker executes and clears transactions on behalf of the Clients, or the bankruptcy of an exchange clearing house.

Criterion will cause the Clients to effect transactions in "over-the-counter" or "interdealer" markets. Participants in these markets typically are not subject to credit evaluation and regulatory oversight as are members of "exchange-based" markets. To the extent that Criterion causes the Clients to invest in swaps, derivatives or synthetic instruments, or other over-the-counter transactions in these markets, the Clients may take a credit risk with regard to parties with which they trade and also may bear the risk of settlement default. These risks may differ materially from those involved in exchange-traded transactions, which generally are characterized 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 these protections, which in turn may subject the Clients to the risk that a counterparty will not settle in accordance with agreed terms and conditions because of a dispute over the terms of the contract or because of a credit or liquidity problem. Such "counterparty risk" is increased for contracts with longer maturities when events may intervene to prevent settlement. Criterion's ability to transact business on behalf of the Clients with any one or any number of counterparties, the lack of any independent evaluation of the counterparties or their financial capabilities, and the absence of a regulated market to facilitate settlement, may increase the Clients' potential for losses.

Contract Default Risk. Criterion has engaged in contractual agreements on behalf of the Clients with various counterparties, including brokers, custodians and the Client administrators, to perform various functions or effect certain transactions for or on behalf of the Clients. These entities may not be subject to credit evaluation and regulatory oversight and may default on their obligations, which could adversely affect the Clients and the Investors.

Securities Lending and Borrowing. Criterion may cause the Clients to lend securities to securities brokers and other institutions to earn additional income, or borrow securities from securities brokers or other institutions to enable short sales. If the other party becomes insolvent or bankrupt, the Clients could experience delays and costs in recovering payment or the securities. If, in the meantime, the value of the securities changes, the Clients could experience further losses. Security loans must be fully collateralized, and Criterion may misjudge the creditworthiness of the other party to the transaction.

Stock Index Futures. Using stock index futures for hedging involves several risks. Price movement in the stock index and price movements in the securities that are the subject of the hedge do not always correlate. Positions in futures contracts may be closed out only on the exchange on which they were entered into or through a linked exchange, and there is no secondary market for those contracts. In addition, there may be no active market for the contracts at any particular time. Some exchanges do not permit trading in particular contracts at prices that fluctuate more than a set limit in any day. If prices fluctuate during a single day beyond those limits, Criterion may not be able to liquidate the Clients' unfavorable positions promptly and may lose money.

Risks of Non-U.S. Investments. Criterion may cause the Clients to invest in securities of non-U.S. companies, which may be denominated in U.S. or non-U.S. currencies, and may use forward non-U.S. currency exchange contracts, which involve unusual risks not typically associated with investing in U.S. companies. These risks include, but are not limited to, less public information available regarding non-U.S. issuers, limited liquidity of non-U.S. securities and political risks associated with the countries in which non-U.S. securities are traded and the countries where non-U.S. issuers are located. Individual non-U.S. economies may differ unfavorably from the U.S. economy in gross national product growth, inflation rate, savings rate and capital reinvestment, resource self-sufficiency and balance of payments positions, and in other respects. Criterion may cause the Clients to invest in securities of non-U.S. governments (or agencies or subdivisions thereof), and some or all of the foregoing considerations also may apply to those investments.

The risks of non U.S. investments typically are greater in less developed countries, sometimes referred to as emerging markets. For example, political and economic structures in these countries may be less established and may change rapidly. These countries also are more likely to experience high levels of inflation, deflation or currency devaluation, which can harm their economies and securities markets and increase volatility. Restrictions on currency trading that may be imposed by developing countries will have an adverse effect on the value of the securities of companies that trade or operate in such countries.

Many of the non U.S. companies in which Criterion causes the Clients to invest, directly or indirectly, may be particularly exposed to the risk of political change and governmental action. In some non-U.S. countries, there is the possibility of expropriation or confiscatory taxation, limitations on removing Clients or other Client assets, political or social instability, or diplomatic developments that could materially and adversely affect the value and marketability of the Clients' investments in those countries.

Some of the countries in which Criterion causes the Clients to invest, directly or indirectly, may have laws and regulations that currently preclude or severely restrict direct foreign investment in securities of their companies. Indirect foreign investment may, however, be permitted through investment Clients that have been specifically authorized for that purpose. Because of the limited number of authorizations granted in such countries, however, units or shares in most of the investment Clients authorized in those countries may at times trade at a substantial premium over the value of their underlying assets. There can be no certainty that these premiums will be maintained and if the restrictions on direct foreign investment in the relevant country were

significantly liberalized, premiums might be reduced, eliminated altogether or turned into a discount.

The securities of non-U.S. issuers held by the Clients generally are not registered under, nor are the issuers thereof subject to the reporting requirements of, U.S. securities laws and regulations. Accordingly, there may be less publicly available information about these securities and about the non-U.S. company or government issuing them or the board of trade clearing them than is available about a U.S. company, government entity or board of trade. Non-U.S. companies and boards of trade generally are not subject to accounting, auditing and financial reporting standards, practices and requirements comparable to those applicable to U.S. companies. Further, government supervision of stock exchanges, boards of trade, securities brokers and issuers of securities is generally less stringent than supervision in the U.S. The investments also may be subject to withholding taxes imposed by the applicable country's taxing authority.

Securities of some non-U.S. companies are less liquid and their prices are more volatile than securities of comparable U.S. companies. Investing in non-U.S. securities creates a greater risk of securities clearance and settlement problems.

Criterion causes the Clients to hold cash in U.S. Dollars to meet expenses and may hold cash in other currencies for hedging or investment purposes or to meet settlement requirements for non-U.S. securities. The Clients may be affected unfavorably by exchange control regulations or changes in the exchange rate between such currencies and the U.S. Dollar. Changes in non-U.S. currency exchange rates influence values within the Clients' portfolios from the perspective of U.S. investors. Changes in non-U.S. currency exchange rates also may affect the value of dividends and interest earned, gains and losses realized on the sale of securities and the Clients' net investment income and gains, if any. The exchange rate between the U.S. Dollar and other currencies is determined by the forces of supply and demand in the non-U.S. exchange markets. These forces are affected by the international balance of payments and other economic and financial conditions, government intervention and other political and diplomatic conditions, speculation and other factors.

Economic Conditions. Changes in economic conditions, including, for example, interest rates, credit availability, inflation rates, industry conditions, government regulation, competition, technological developments, political and diplomatic events and trends, tax and other laws and innumerable other factors, can affect the Clients' investments and prospects materially and adversely. None of these conditions is within Criterion's control, and it may not anticipate these developments. These factors may affect the volatility of securities prices and the liquidity of the Clients' investments. Unexpected volatility or illiquidity could impair the Clients' profitability or result in losses.

No Control over Portfolio Issuers. Criterion may cause the Clients to acquire substantial positions in the securities of particular companies, but the Clients are unlikely to be represented on the boards of directors or creditors' committees, or share any control over the management of such companies. The success of each investment generally depends on the ability and success of the management of that company, in addition to economic and market factors. The principals of Criterion may serve on creditors' committees or boards of directors, when Criterion deems it appropriate. These efforts would consume significant time and attention. They may also lead to

losses in the portfolio or lost investment opportunities because Criterion's focus on other portfolio positions may diminish, or because such involvement may result in restrictions on Criterion's ability to make or liquidate investments.

Fundamental Analysis. Criterion's investment process is based on fundamental analysis. Data on which fundamental analysis relies may be inaccurate or may be generally available to other market participants. To the extent that any such data are inaccurate or that other market participants have developed, based on such data, trading strategies similar to Criterion's trading strategies, the Clients may not be able to realize their investment goals. In addition, fundamental market information is subject to interpretation. To the extent that Criterion misinterprets the meaning of certain data, the Clients may incur losses.

Investing in Companies with Small and Medium-Sized Market Capitalization. Investment in small and medium-sized companies involves higher risk than investing in larger, more established companies, because smaller companies may lack the management experience, financial resources, product diversification, markets, distribution channels and competitive strengths of larger companies. In addition, in many instances, the frequency and volume of trading of securities of smaller companies is substantially less than is typical of larger companies, and the securities of smaller companies may be subject to radical price fluctuations. The spreads between the bid and asked prices of the securities of companies in the U.S. over-the-counter markets typically are larger, and may be substantially larger, than the spreads for more actively traded securities listed on national exchanges. The Clients could incur a loss if Criterion causes the Clients to sell such securities a short time after acquiring them. When making a large sale, Criterion may cause the Clients to sell a security at a discount from quoted prices or may make a series of small sales over an extended period, because of the limited trading volume of smaller company securities, which could reduce the total proceeds of the sales.

Investing in Emerging Growth Companies. Companies in rapidly changing fields face special risks. Neither Criterion, the Clients, nor the companies in which the Clients invest have any significant control over the pace of developments. Among other things, a company may fail to acquire or develop necessary technology or products, it may acquire the rights to or develop a technology or product that is rendered obsolete by other developments or its product or service may not prove to be commercially successful. Some industries may be subject to greater governmental regulation than other areas and changes in governmental policies and the need for regulatory approvals may materially and adversely affect these industries.

Competition. Numerous risk capital investors, many or most of which are much larger and more experienced than Criterion, will be competing with Criterion (and, by extension, the Clients) for desirable investment opportunities. Because of this competition and if the Clients do not have available capital, Criterion might not be able to cause the Clients to participate in attractive investments that would otherwise be available to them.

Information Sources. Criterion selects positions for the Clients in part based on information filed by the issuers of securities with the SEC and other regulatory authorities, or made available to Criterion by the issuers or by others. Criterion cannot confirm the completeness, genuineness or accuracy of such information, and, in some cases, complete and accurate information is not readily available.

Inside Information. In the course of its research and communications with the management of portfolio companies, Criterion may inadvertently receive material non-public information with respect to an issuer of publicly traded securities. In such circumstances, the Client accounts may be prohibited, by law, policy or contract, for a period of time from (i) unwinding a position in such issuer, (ii) establishing an initial position or taking any greater position in such issuer, and (iii) pursuing other investment opportunities related to such issuer. Such restrictions may continue until the information is no longer non-public or the Criterion is otherwise permitted to effect a transaction in such securities in compliance with applicable anti-insider trading regulations. During that period, the restrictions may have an adverse effect on Clients, including to the extent that Clients may be required to hold securities of a portfolio company as to which Criterion has unfavorable information or may be restricted from acquiring securities of a company as to which Criterion has favorable information.

THE FOREGOING RISK FACTORS ARE NOT A COMPLETE EXPLANATION OF THE RISKS INVOLVED IN THIS OFFERING. A POTENTIAL INVESTOR IN THE FUNDS MUST READ THE GOVERNING DOCUMENTS, WHICH INCLUDES APPENDICES AND EXHIBITS, AND MUST CONSULT SUCH INVESTOR'S OWN FINANCIAL, ACCOUNTING, TAX AND OTHER ADVISERS BEFORE DECIDING WHETHER TO INVEST IN THE FUND.

Item 9. Disciplinary Information

This Item is not applicable, because Criterion has no reportable disciplinary information.

Item 10. Other Financial Industry Activities and Affiliations

This Item is not applicable, because Criterion has no reportable other financial industry activities or affiliations. Criterion is neither registered, or has an application pending to register, as a broker-dealer or a registered representative of a broker-dealer. Neither Criterion nor any of its affiliates are registered, nor do they have an application pending to register as a futures commission merchant, commodity pool operator, a commodity trading advisor, or an associated person of the foregoing entities.

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

Criterion has adopted a Code of Ethics in compliance with Rule 204A-1 under the Investment Advisers Act of 1940, that establishes standards of conduct for Criterion's employees. The Code of Ethics includes general requirements that employees comply with their fiduciary obligations to Clients and applicable securities laws, and specific requirements relating to, among other things, personal trading, insider trading, conflicts of interest and confidentiality of Client information. It requires employees to comply with the personal trading restrictions described below and periodically to report their personal securities transactions and holdings to Criterion's Chief Compliance Officer or her designees, and requires the Chief Compliance Officer or her designee to review those reports. It also requires employees to report any violations of the Code of Ethics promptly to the Chief Compliance Officer. Each employee of Criterion receives a copy of the Code of Ethics and any amendments to it and must acknowledge in writing having

received those materials. At least annually, each employee must certify that he or she complied with the Code of Ethics during the preceding year. Current and prospective Clients and Investors may obtain a copy of Criterion's Code of Ethics by contacting us at (415) 834-3500.

Under Criterion's Code of Ethics, Criterion's managers, members and employees may not invest their personal accounts in individual securities, except that they may sell positions they purchased before the adoption of the current personal trading policy or prior to employment with Criterion, with pre-approval by the Chief Compliance Officer. Such persons may invest in ETFs and private placements with pre-approval by the Chief Compliance Officer, and in mutual funds without pre-approval. Such persons may buy or sell instruments for their own accounts based on personal investment considerations aside from company or industry fundamentals, which Criterion does not believe appropriate to buy or sell for Clients.

Because Criterion manages more than one Client account, Criterion faces conflicts of interest over its time devoted to managing any one Client account and allocating investment opportunities among all Client accounts that it manages. For example, Criterion selects investments for each Client based solely on investment considerations for that Client. Different Clients have differing investment strategies and expected levels of trading. Criterion from time to time buys or sells a security for one type of Client but not for another, or buys (or sells) a security for one type of client while simultaneously selling (or buying) the same security for another type of client. Criterion attempts to resolve all such conflicts in a manner that is generally fair to all of its Clients. Criterion from time to time gives advice to, and takes action on behalf of, any of its Clients that differs from the advice that it gives or the timing or nature of action that it takes on behalf of any other Client so long as it is Criterion's policy, to the extent practicable, to allocate investment opportunities to its Clients fairly and equitably over time. Criterion is not obligated to acquire for any account any security that Criterion or its managers, members or employees may acquire for its or their own accounts or for any other Client, if in Criterion's absolute discretion, it is not practical or desirable to acquire a position in such security for that account.

Item 12. Brokerage Practices

Criterion has complete discretion in selecting the broker (or futures commission merchant) that it uses for Client transactions and the commission rates that Clients pay such brokers. In selecting a broker for any transaction or series of transactions, Criterion considers a number of factors, including, for example:

- access to liquidity;
- quality of execution - accurate and timely execution;
- efficiency of execution and error resolution;
- the operational facilities of the brokers involved;
- special execution capabilities;
- block trading and block positioning capabilities;
- ability to execute related or unrelated difficult transactions in the future;
- willingness and ability to commit capital;
- electronic trading systems;

- financial strength and stability; and
- overall costs of a trade (i.e., net price paid or received) including commissions, mark-ups, mark-downs or spreads.

Criterion may also purchase from a broker or allow a broker to pay for the following (each a “soft dollar” relationship):

- research reports,
- technical data, including services providing market data, company financial data and economic data;
- meetings with corporate executives;
- attendance at certain seminars and conferences;
- periodical subscriptions;
- consultations, including third-party research consultants and research analysts;
- performance measurement data;
- on-line pricing;
- news wire and data processing; and
- quotation services.

Criterion may receive soft dollar credits based on principal, as well as agency, securities transactions with brokers or direct a broker that executes transactions to share some of its commissions with a broker or futures commission merchant that provides soft dollar benefits to Criterion.

Section 28(e) of the Securities Exchange Act of 1934 provides a “safe harbor” to investment advisers who use commission dollars of their advised accounts to obtain investment research and brokerage services that provide lawful and appropriate assistance to the adviser in performing investment decision-making responsibilities. Conduct outside of the safe harbor of section 28(e) is subject to the traditional standards of fiduciary duty under state and federal law. Criterion uses its reasonable best efforts to ensure that commission dollars are used only to pay for products or services that fall within the section 28(e) safe harbor.

In certain instances Criterion pays broker commissions and mark-ups that exceed those that another broker might charge for effecting the same transaction because of the value of the brokerage, research, other services and soft dollar relationships that such broker provides. Criterion determines in good faith that such compensation is reasonable in relation to the value of such brokerage, research, other services and soft dollar relationships, in terms of either the specific transaction or Criterion’s overall fiduciary duty to its Clients. An account may, however, pay higher commissions and mark-ups than are otherwise available or may pay more commissions or mark-ups based on account trading activity. The research and other benefits resulting from Criterion’s brokerage relationships benefit Criterion’s operations as a whole and all accounts that it manages, including those that do not generate the soft dollars that pay for such research and other benefits and accounts of Clients that direct Criterion to use a broker benefits to Client accounts proportionately to the soft dollar credits that the accounts generate.

Criterion's relationships with brokers that provide soft dollar services influence Criterion's judgment and create conflicts of interest in allocating brokerage business between firms that provide soft dollar services and firms that do not. Further, where a product or service obtained with soft dollars provides both research and non-research assistance to Criterion (i.e., a "mixed use" item), Criterion will make a good faith effort to pay only the eligible portion of the item with soft dollars.

Criterion addresses these conflicts of interest by periodically evaluating the trade execution services that Criterion receives from the brokers that it uses to execute trades for Clients. Such evaluation includes comparing those services to the services available from other brokers. Criterion considers, among other things, alternative market makers and market centers, the quality of execution services, the value of continuing with various soft dollar services and adding or removing brokers, increasing or decreasing targets for each broker and the appropriate level of commission rates.

Criterion retains selected brokerage firms to serve as the prime brokers and custodians for Client accounts that Criterion manages. The services that the custodians provide as prime brokers include custody, clearing, settlement and stock borrowing in accordance with the terms of the prime brokerage agreements. The custodians have custody of most of the Clients' assets and provide Criterion with other services, which include capital introduction services and portfolio reporting. Although many prime brokers provide similar services to investment advisers in exchange for brokerage, custody and clearance fees and other charges, if Criterion did not receive these services from the custodians, Criterion would be required to pay for all or some portion of them. Criterion is not required to direct a particular number of trades to the custodians or to continue to use them as custodians, but it has an incentive to do so based on the custodians' prior and continued services.

Criterion aggregates securities sale and purchase orders for a Client with similar orders being made contemporaneously for other accounts that Criterion manages or with accounts of its affiliates. Where securities are aggregated for sale and purchase orders, Criterion will generally charge or credit a Client the average transaction price of all securities purchased or sold in such transactions. As a result, however, the price may be less favorable to the Client than it would be if Criterion were not executing similar transactions concurrently for other accounts. In the event of a partial fill, allocations may be modified on a basis that Criterion deems to be appropriate, including, for example, in order to avoid odd lots or de minimis allocations. Further, partially filled orders are closed at the end of each trading day. When orders are not aggregated, trades generally will be processed in the order that they are placed with the broker selected by Criterion. As a result, certain trades in the same security for one Client account may receive more or less favorable prices or terms than another Client, and orders placed later may not be filled entirely or at all, based upon the prevailing market prices at the time of the order or trade. In addition, some opportunities for reduced transaction costs and economies of scale may not be achieved.

From time to time, Sector Heads change existing orders. When an order change is entered, all completed fills relating to the original order will be allocated in accordance with the original order's allocation calculation. The remainder of the original order to be executed will then be aggregated with the changed order to create new order and allocation calculation. Any subsequent fills will be applied in accordance with the new order's allocation calculation.

Item 13. Review of Accounts

Criterion's Sector Head's review accounts continuously but at least weekly. Those reviews take into account such matters as asset allocation, cash management, the prospects of individual securities, changes in issuer earnings, industry outlook, market outlook and price levels.

Each account receives a monthly letter stating performance for the month and an annual letter discussing annual performance and investment outlook. Investors may request additional information and reporting, including more frequent (i.e., weekly) or more detailed reports from Criterion containing estimates of overall performance and additional portfolio information. Although any such additional information and reporting that is provided to requesting Investors will be available to all Investors, some Investors may not request, and therefore not receive, such additional information.

Item 14. Client Referrals and Other Compensation

This Item is not applicable, because Criterion does not engage solicitors or otherwise compensate third parties for client referrals.

Item 15. Custody

We are deemed to have custody of the Funds' assets under Rule 206(4)-2 of the Investment Advisers Act of 1940, as amended, by virtue of (i) our access to the Funds and authority to instruct the administrator to deduct fees and other expenses from a fund's account and (ii) services provided by our firm and our affiliates as general partners of certain of our Clients.

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

We utilize the services of a bank or other qualified custodian (as defined under Rule 206(4)-2) to hold assets of Clients. We also endeavor to ensure that the qualified custodian maintains these funds in accounts that contain only Clients' funds and securities, under the Client's name or our name as agent or trustee for the Clients.

Item 16. Investment Discretion

Criterion has discretionary authority to manage the investment accounts of its Client's pursuant to a grant of authority in each Fund's Governing Documents or Client's investment management agreement.

Item 17. Voting Client Securities

Criterion will vote proxies on behalf of each Client account which it has proxy voting authority in accordance with its fiduciary duty to its Clients. Criterion has retained ISS Governance Services (“ISS”) to assist in the proxy voting process. On behalf of Criterion, ISS will vote proxies (other than those whose vote is directed by a Criterion Client) in accordance with the guidelines set forth in ISS’s proxy voting guidelines.

If ISS has a material conflict of interest with the company whose proxy is at issue, it will not provide a voting recommendation but will instead refer the proxy to Criterion to decide how to vote. Criterion will normally vote such proxies in accordance with ISS’s proxy voting guidelines.

On rare occasions, Criterion may determine that it is in the best interest of its Clients to depart from ISS’s proxy voting guidelines when voting a particular proxy. In making this determination and deciding how to vote the proxy, Criterion will consider a number of factors, including:

- the proposal’s economic effect on shareholder value;
- the threat that the proposal poses to existing rights of shareholders;
- the dilution of existing shares that would result from the proposal;
- the effect of the proposal on management or director accountability to shareholders; and
- if the proposal is a shareholder initiative, whether it wastes time and resources of the company or reflects the grievance of one individual.

However, in any case in which Criterion determines that a material conflict of interest exists between Criterion and its Client with respect to a vote, it will vote the proxy in accordance with ISS’s guidelines. In such case, if a proxy proposal is not addressed by ISS’s proxy voting guidelines, the Criterion will consult with Criterion’s outside counsel to determine the appropriate course of action

Criterion may instruct ISS not to vote a proxy if Criterion deems that abstinence is in its Clients’ best interests. Criterion will prepare and maintain memoranda describing the rationale for any instance in which Criterion elects not to vote a proxy.

A Client can obtain a copy of Criterion’s proxy voting policy and a record of votes cast on behalf of that Client by contacting Criterion.

As a fiduciary, Criterion always seeks to act in Clients’ best interests with good faith, loyalty, and due care. Criterion’s standard investment management agreement authorizes the Company to direct Client participation in class actions. Through ISS, Criterion will determine whether Clients will (a) participate in a recovery achieved through a class action, or (b) opt out of the class action and separately pursue their own remedy. ISS oversees the completion of Proof of Claim forms and any associated documentation, the submission of such documents to the claim administrator, and the receipt of any recovered monies. ISS will maintain documentation associated with Clients’ participation in class actions. Criterion generally does not serve as the lead plaintiff in class actions because the costs of such participation typically exceed any extra benefits that accrue to lead plaintiffs.

Item 18. Financial Information

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