

Part 2A of Form ADV: Firm Brochure

**Millennium Management LLC
666 Fifth Avenue, 8th Floor
New York, New York 10103
(212) 841-4100
(212) 841-4141**

December 4, 2017

This Brochure provides information about the qualifications and business practices of Millennium Management LLC. If you have any questions about the contents of this Brochure, please contact us at (212) 841-4100. The 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.

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

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

Item 2 Material Changes

Not applicable because this is an other than annual amendment.

Item 3 Table of Contents

Table of Contents	
Item 2	Material Changes2
Item 3	Table of Contents3
Item 4	Advisory Business.....4
Item 5	Fees and Compensation.....6
Item 6	Performance-Based Fees and Side-By-Side Management8
Item 7	Types of Clients9
Item 8	Methods of Analysis, Investment Strategies and Risk of Loss10
Item 9	Disciplinary Information26
Item 10	Other Financial Industry Activities and Affiliations27
Item 11	Code of Ethics, Participation or Interest in Client Transactions and Personal Trading29
Item 12	Brokerage Practices.....34
Item 13	Review of Accounts36
Item 14	Client Referrals and Other Compensation.....37
Item 15	Custody38
Item 16	Investment Discretion39
Item 17	Voting Client Securities40
Item 18	Financial Information.....41
Item 19	Requirements for State Registered Advisers.....42

Item 4 Advisory Business

Millennium Management LLC (“**Millennium Management**”), a Delaware limited liability company, and its predecessors have been in business since 1989. Millennium Management provides discretionary investment advisory services to the private funds described in Item 10 below, directly and through certain affiliated and other management entities that were established for operational and other purposes (each a “**Relying Adviser**” and together the “**Relying Advisers**”). (The Relying Advisers have been identified in Item 10 hereof, as well as Schedule R of Millennium Management’s Form ADV Part 1.) Private funds and any other feeder funds that, directly or indirectly, invest substantially all of their assets in the Master Fund (as defined in Item 10) (or its trading strategies) may each be referred to as a “**Feeder Fund**” and are collectively referred to, together with the Master Fund and the entities through which our Portfolio Managers (as defined below) invest in their strategies (as described in Item 10), as the “**Fund**” throughout this Brochure. Unless specifically noted otherwise, the responses to this Form ADV Part 2A combine information about Millennium Management and the Relying Advisers. Millennium Management and its affiliated entities are collectively referred to throughout this Brochure as “**Millennium.**” Millennium Management and the Relying Advisers are collectively referred to throughout this Brochure as the “**Firm**” or by use of the first person plural pronoun.

The principal of Millennium Management is Israel Englander. Mr. Englander and certain companies and trusts for his benefit and the benefit of his family (including MLM Trust B) directly or indirectly own 100% of the economic interests of Millennium Management.

In July 2017, Millennium completed a process intended to provide structural continuity of management in the event Mr. Englander is incapacitated or dies. As part of this process, following necessary regulatory approvals, Millennium Group Management LLC (formerly, Millennium International Management GP LLC) (the “**Controlling Member**”) became the managing member of Millennium Management. A revocable trust (together with any successor or residuary trust or trusts, the “**Trust**”) initially under the control of Mr. Englander, as controlling trustee, is the managing member of the Controlling Member. Mr. Englander will serve as trustee of the Trust along with a number of other trustees (referred to herein collectively as the “**Trustee Advisory Board**”), with Mr. Englander retaining exclusive control until his death or during any period of incapacity, at which point the remaining members of the Trustee Advisory Board would assume control (until Mr. Englander is no longer incapacitated, if applicable). It is expected that in such a circumstance the day-to-day affairs of Millennium would continue to be managed by its senior management team, subject to the oversight of the Trustee Advisory Board until such time as a decision about ultimate succession is made by the Trustee Advisory Board (if applicable).

Millennium is responsible for managing the capital of the Fund in accordance with the Fund’s investment objectives, which are broadly set forth in the Fund’s offering document. Millennium selects, monitors and evaluates Portfolio Managers and allocates and reallocates the Fund’s invested capital among them. Millennium also makes direct (*i.e.*, not through Portfolio Managers) investments of the Fund’s capital, either as a profit-seeking investment (*e.g.*, direct trading activities) or as hedges, or “contra” trades that seek to establish a reduction in certain exposures. Millennium’s direct trading activities have included, and may in the future include, increasing (potentially materially) the Fund’s exposure to certain strategies or positions or to netted positions held by a number of Portfolio Managers. However, there is no obligation for Millennium to engage in such activities. Additionally, there is no guarantee that direct trading activities will be profitable, and, with respect to increasing the Fund’s exposure to certain strategies or positions, such activities may exacerbate any losses associated with such strategies or positions.

The term “**Portfolio Manager**” refers to a group, typically one to five individuals but sometimes many more, operating as a single team to manage a portion of the Fund’s assets. In some instances a team-member may be a sub-Portfolio Manager to whom day-to-day responsibility for a portion of a Portfolio Manager’s portfolio is delegated. Although most of the Firm’s Portfolio Managers are actively involved in the day-to-day investment decision-making process with respect to their strategies, Millennium may, and does, allocate capital to Portfolio Managers who manage larger teams and whose primary function is to oversee and manage other investment personnel that are responsible for making investment decisions within a particular strategy or strategies. Most Portfolio Managers are employed by Millennium, while certain others are third-party independent contractors not employed by Millennium and may be Relying Advisers. Certain Portfolio Managers employed by Millennium may form limited liability companies or other entities in connection with the performance of their services to Millennium. Portfolio Managers operate their respective trading groups and are primarily responsible for their groups’ trading,

personnel, and similar decisions, subject to our risk management and, in the case of Portfolio Managers that are Millennium employees or that are Relying Advisers, to Millennium's supervision and control. Portfolio Managers that are independent contractors are responsible for hiring of personnel and certain other aspects of their business, although Millennium generally retains ultimate control over the Millennium accounts managed by such Portfolio Managers. Millennium may also provide certain administrative or other services to such Portfolio Managers. Certain of such Portfolio Managers may also manage capital for one or more other clients. Certain Portfolio Managers who were directly employed by Millennium or who managed assets of the Fund exclusively have become independent contractors, they are providing services to other clients. In addition, others may do so in the future.

As of December 31, 2016, we managed approximately \$34.3 billion in net assets. All of these assets are managed on a discretionary basis.

Item 5 Fees and Compensation

Except with respect to one Feeder Fund, as described below, Millennium does not receive an asset management fee, or any asset-based compensation from the Fund. As described below, all expenses incurred in connection with the operation of the Fund, without limitation, are paid directly or indirectly by the Feeder Funds (and, therefore, by investors in the Feeder Funds). We generally refer to this as the “expense pass-through.”

All but one of the Feeder Funds (directly or indirectly) allocate to Millennium Management an incentive allocation equal to a specified percentage of net realized and unrealized appreciation in their investment portfolios. At the end of each fiscal year of the relevant Feeder Fund, and also upon a withdrawal or redemption made during a fiscal year, the applicable percentage of the net realized and unrealized appreciation in the net asset value, if any, of each capital account or memorandum account, as applicable, of the relevant Feeder Fund for the relevant calculation period is reallocated to Millennium Management as its incentive allocation. Pursuant to a “high water mark” provision, if a Feeder Fund suffers net losses, there is no incentive allocation until those net losses are recovered.

As noted above, one Feeder Fund pays an asset management fee (but does not pay any incentive fee or allocation). Millennium Global Estate GP receives an asset-based fee for management services equal to a specified percentage of the net asset value of each investor’s capital account(s) as of the beginning of the calendar quarter. (This is in addition to the expense pass-through.) In the case of any capital contribution made by an investor that does not fall on the first date of a quarter, a proportionate asset-based fee is paid based on the number of months remaining in the partial quarter. If an investor is permitted to make a withdrawal other than as of the last day of a quarter, the investor will only be charged a pro rata portion of the management fee based on the actual period that elapsed during the partial quarter and Millennium Global Estate GP will repay the Feeder Fund for the benefit of the withdrawing investor the amount of the excess management fee paid in respect of the investor for the quarter.

Millennium does not receive any performance-based compensation from the Master Fund (as defined in Item 10) or the entities through which our Portfolio Managers invest in their strategies (as described in Item 10).

Under the terms of each of the Feeder Funds’ governing documents, the Feeder Funds and their respective management entities have the authority to negotiate fees with investors in the Feeder Fund. Although it has not been our practice to negotiate or waive fees for third-party investors in the past, and we have no intention of doing so, it is possible that we could elect to do so in the future.

Each Feeder Fund is also responsible for:

- a generally pro rata portion of all of the fees and expenses that the Fund and its affiliates incur. (The fees and expenses of the Fund and such affiliates include, among other things, the salaries, fringe benefits, bonuses, fees and performance-based compensation (collectively, “**compensation**”) and expenses paid or reimbursed to Portfolio Managers, other employees, consultants, subcontractors and agents, fees paid to persons or entities who assist in identifying and recruiting Portfolio Managers, expenses related to computers and other equipment and expenses related to maintaining offices, including leases and fixtures); and
- all fees and expenses incurred in connection with any transactions, engagements, and other agreements that the Fund enters into on its own behalf, including, among other things, costs and expenses of its administrator, expenses incurred in connection with the private placement of interests (other than placement fees), and, with respect to non-U.S. Feeder Funds, directors’ fees and expenses.

In addition to the expenses listed above, the Fund’s expenses, which are paid directly or indirectly by the Feeder Funds, include all expenses directly or indirectly related to the Fund’s investment activities, including, without limitation, brokerage commissions and interest expense; internal and external accounting expenses; audit and tax (including withholding tax) expenses; legal expenses; administrator, registrar and transfer agent fees and expenses; premiums for general partner liability insurance and risk-specific insurance and “key-man” life insurance on certain personnel; and other administrative and operating expenses. The Master Fund has also loaned or advanced the capital to establish, capitalize and maintain the Foreign Advisers (as defined in Item 10), and the expenses

attributable to the loans or advances are paid by the Feeder Funds. All determinations as to whether particular expenses are payable by the Feeder Funds (directly or indirectly) are made by Millennium in the reasonable exercise of its discretion.

In addition, certain expenses, including expenses for office space, services, personnel, equipment and software, among other things, may be incurred in connection with the provision of investment management, administrative or other services by the Firm and its affiliates to other funds, accounts or third parties. Such expenses will be allocated among the Feeder Funds and other recipients of the services that generate the items of expense.

As described above, each Feeder Fund bears a portion of the compensation paid to the Portfolio Managers (including Portfolio Managers that are Relying Advisers) and other employees of, and consultants to, the Firm and its affiliates. The compensation expenses may also include management or “base” fees that may be charged by certain Portfolio Managers or third party funds. In addition, certain personnel who assist in overseeing groups of Portfolio Managers (*e.g.*, the head of a particular strategy) receive compensation based on the overall performance of such Portfolio Managers. This compensation of Portfolio Managers and such personnel responsible for overseeing Portfolio Managers (as well as other Millennium employees) is separate from and in addition to the performance- or asset-based compensation received by Millennium from the Feeder Funds, which compensates Millennium Management for services provided by its principal. Such expense is deducted prior to calculation of the performance- or asset-based compensation received by Millennium from the Feeder Funds. Compensation of Portfolio Managers is generally determined as a percentage of profits earned by the Portfolio Manager during the preceding calendar year, with profits measured on an accrual (“mark-to-market”) basis, and without taking into account the performance of other Portfolio Managers or of the Fund generally. If a Portfolio Manager suffers net losses during the year, generally the losses are carried forward and past losses must be made up before performance-based compensation becomes payable in subsequent years. Portfolio Managers also receive a salary, which is generally treated as an advance against their profits interest if there are profits (although, for certain Portfolio Managers, may instead be treated as an expense of their account). There is generally no “carryback” or “clawback” of losses to permit recouping of profit interests from prior years. Portfolio Managers with positive performance will receive performance-based compensation even if the Fund’s overall returns are negative. Millennium may also agree to “guarantee” a level of compensation for a Portfolio Manager or other personnel for a particular year (or years) or to replace deferred or similar compensation that a Portfolio Manager or other personnel has forfeited in connection with the termination of prior employment. Millennium may also negotiate different compensation arrangements with Portfolio Managers and other personnel than the arrangements described above.

The Fund incurs brokerage and other transaction costs, as discussed further in Item 12 of this Brochure.

Expenses related to the Fund are generally borne pro rata by the Feeder Funds, but a particular expense may be allocated differently if Millennium determines that it would be fair and reasonable to do so. Additionally, Millennium may elect to pay certain expenses (*e.g.*, a portion of marketing expenses) directly, rather than passing such expenses through to the Feeder Funds.

Our expense allocation methodologies and certain conflicts of interests that may be raised by them are discussed further in Item 11 of this Brochure.

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

As described in Item 5, we manage Feeder Funds that charge performance-based fees and one Feeder Fund that charges asset-based fees.

Performance-based fees that are charged may, under some circumstances, create an incentive to cause the Fund to make investments that are riskier or more speculative than would be the case if the compensation were not performance-based, particularly in any period after losses have been suffered since losses from prior periods must be recovered before any performance fee is payable.

Further, Portfolio Managers, who are generally compensated based on their performance, may have similar incentives to engage in more speculative activities than would be the case if their compensation were not performance-based, particularly in any period after losses have been suffered. This compensation structure inevitably may be seen to create an incentive for a Portfolio Manager to accept significant risks, in excess of levels that the Fund might find acceptable, in seeking to obtain profits. Nonetheless, Millennium has found the compensation scheme generally effective over time in providing trading incentives that correspond appropriately to the Fund's goals. Millennium's principal and senior management collectively have a relatively large investment in the Fund (both by direct investment in one or more Feeder Funds and through deferred compensation arrangements, which earn a return (or suffer losses) identical to the return (or loss) of one of the Feeder Funds), and Portfolio Managers (including Portfolio Managers that are Relying Advisers) are permitted to, and certain Portfolio Managers do, invest in one or more Feeder Funds and/or in the entities described below in Item 10 through which a Portfolio Manager may invest in his or her own strategy, so that our interests in such matters are reasonably well aligned with the interests of investors in the Fund generally.

Item 7 Types of Clients

Our clients are private funds. In the future, we may provide investment advice to other clients, including other private funds or separately managed accounts.

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

In managing the Fund's assets, we follow an investment strategy that is opportunistic with respect to investments and strategies and that is broadly diversified and global in scope. Consistent with this approach (and unlike many investment partnerships that as a matter of investment policy require that no more than a fixed percentage of their assets be invested in any one industry or group of industries), we do not establish fixed guidelines regarding diversification of investments to be followed by the Fund. At any given time, the Fund's assets could be concentrated in securities or asset classes that the Portfolio Managers (subject to the oversight of Millennium's Risk Management group) believe offer an optimal opportunity for appreciation. However, by virtue of our structure, in which assets are allocated among a number of Portfolio Managers utilizing different strategies and investment approaches, as well as our general risk management principles, which discourage concentrations and apply Firm-wide oversight, the Fund's assets will usually be employed among a diversified set of strategies.

The investment strategies that the Fund employs may be expected to include, among other things, most or all of the following core strategies:

- Relative value fundamental equity;
- Statistical arbitrage/quantitative;
- Fixed-income;
- Merger arbitrage and event-driven; and
- Commodities.

The Fund may, and typically does, also invest in certain other strategies, including, among others, closed-end fund/asset arbitrage, distressed investing, convertible arbitrage and options arbitrage. However, as noted above, the Fund may concentrate in a select few strategies while not employing others and may employ additional investment strategies or suspend any such strategies, as determined by us in our discretion, at any time without notice. There are no substantive limits on the investment strategies that may be pursued by the Fund.

The following are certain risk factors describing risks related to the trading strategies and instruments we may implement for the Fund and the investment techniques we may utilize. This list is not exhaustive.

Investment and Trading Risks in General. Inherent in any investment in securities is the risk of losing the invested capital. We believe that the Fund's investment program and the Portfolio Managers' research techniques moderate this risk through a careful selection of securities and investment opportunities, as well as through the application of our ongoing qualitative and quantitative risk assessment and management program. However, no guarantee or representation is made that the Fund's investment program will be successful or profitable, and investment results may vary substantially over time. The Fund's investment program will utilize investment techniques such as option and derivative transactions, limited diversification, margin transactions, short sales, and futures and forward contracts, which can, in certain circumstances, maximize the adverse impact of any loss or adverse event to which the Fund may be subject. We do not, in general, attempt to measure or hedge all market or other risks inherent in the Fund's portfolio, and seek to measure and hedge certain risks, if at all, only partially. Specifically, we may choose not, or may determine that it is economically unattractive, to hedge certain risks, instead relying on diversification in an attempt to mitigate the risks. Additionally, our direct trading activities may increase the Fund's exposure to certain strategies or positions, which may exacerbate any losses associated with such strategies or positions. As discussed below, the Fund is not limited to any specific policies or requirements for diversification or risk mitigation.

General Market and Economic Risk. Most trading strategies utilized by the Fund involve some, and occasionally a significant degree of, market risk. The profitability of the Fund, and, consequently, each Feeder Fund, depends, in significant part, upon our and the Portfolio Managers' correctly assessing future price movements of securities and other financial instruments. The Fund cannot assure any investor in a Feeder Fund that we or the Portfolio

Managers will accurately predict these price movements. Additionally, unanticipated illiquidity in a market could lead to substantial losses or mean that the Fund is unable to close out certain positions when it wishes. The success of the Fund's activities also 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 Fund's investments) or regulations (or their interpretation), trade barriers, currency exchange controls, and national and international political circumstances (including wars, terrorist acts or security operations). These factors will affect the level and volatility of the prices of securities, commodities and other financial instruments and the liquidity of the Fund's investments. Illiquidity or significant changes in volatility could impair the Fund's profitability or result in losses. The Fund invests in the U.S. and a number of other countries. The economies of non-U.S. countries may differ favorably or unfavorably from the U.S. economy in such respects as growth of gross domestic product, rate of inflation, relative currency appreciation or depreciation, asset reinvestment opportunities, resource self-sufficiency and balance of payments position. Further, certain economies are heavily dependent upon international trade and, accordingly, have been and may continue to be adversely affected by trade barriers, exchange controls, managed adjustments in relative currency values and other protectionist measures imposed or negotiated by the countries with which they trade. The economies of certain non-U.S. countries may be based, predominantly, on only a few industries and may be vulnerable to changes in trade conditions and may have higher levels of debt or inflation than others.

Potential Interest Rate Increases. The U.S. has for some time been experiencing historically low interest rate levels. However, the continued recovery of the U.S. economy and recent and potential future changes in the U.S. government policy, including the tapering of the U.S. Federal Reserve Board's quantitative easing program, increase the risk that interest rates will rise in the near future. Any future interest rate increases may result in periods of volatility and cause the value of the fixed income securities held by the Fund to decrease, which may result in substantial withdrawals or redemptions from the Feeder Funds, that, in turn, force the Fund to liquidate such securities at disadvantageous prices negatively impacting the performance of the Fund.

Extraordinary Market Conditions and Governmental Actions. Unpredictable or unstable market conditions may result in reduced opportunities to find suitable investments to deploy capital or make it more difficult to exit and realize value from the Fund's existing investments. An example of this sort of instability started in 2007, when markets experienced significant losses arising largely because global credit spreads widened materially, equity index levels declined, and many funds liquidated assets. In reaction to the extreme losses and volatility in commodities and securities markets and the failure of credit markets to function normally, regulators in several countries undertook extraordinary regulatory actions in 2008, including, but not limited to, short-selling restrictions. Regulators and central banks in the U.S. and other countries continue to consider and implement measures intended to stabilize and encourage growth in U.S. and global financial markets. Millennium believes that the Fund may be materially and adversely affected by similar or other events in the future. For example, markets may experience extreme volatility and losses and the Fund may be unable to hedge, or effectively hedge, certain material risks. In the long term, there may be significant new regulations that could limit the Fund's activities and investment opportunities or change the functioning of capital markets. 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. It is important to understand that the Fund can incur material losses even if it reacts quickly to difficult market conditions and there can be no assurance that the Fund will not suffer material adverse effects from broad and rapid changes in market conditions and related regulatory actions.

Regulatory Changes for Hedge Funds. The legal, tax and regulatory environment worldwide for private investment funds (such as the Fund) and their managers is evolving, and changes in the regulation of private investment funds, their managers, and their trading and investing activities may have a material adverse effect on the ability of the Fund to pursue its investment program and the value of investments held by the Fund. There has been an increase in scrutiny of the alternative investment industry by governmental agencies and self-regulatory organizations. New laws and regulations or actions taken by regulators that restrict the ability of the Fund to pursue its investment program or conduct business with brokers and other counterparties could have a material adverse effect on the Fund and the investors' investments therein. Such laws and regulations may also materially increase the costs of operating the Fund and the costs of executing and financing certain strategies utilized by the Fund, which costs are borne by the Fund. In addition, Millennium may, in its sole discretion, cause the Fund to be subject to certain laws and regulations if it believes that an investment or business activity is in the Fund's interest, even if such laws and

regulations may have a detrimental effect on one or more investors.

Dodd-Frank Act. The U.S. Dodd-Frank Wall Street Reform and Consumer Protection Act (the “**Dodd-Frank Act**”) was enacted in July 2010. The Dodd-Frank Act has resulted in extensive rulemaking and regulatory changes that affect private fund managers, the funds that they manage and the financial industry as a whole. Additionally, under the Dodd-Frank Act, the SEC and the U.S. Commodity Futures Trading Commission (the “**CFTC**”) have mandated (and will mandate) new recordkeeping, reporting, central clearing and mandatory trading on electronic facilities requirements for investment advisers, which add costs to the legal, operational and compliance obligations of Millennium and the Fund and increase the amount of time that Millennium spends on non-investment-related activities. The Dodd-Frank Act affects a broad range of market participants with whom the Fund interacts or may interact, including banks, non-bank financial institutions, rating agencies, mortgage brokers, credit unions, insurance companies, payday lenders and broker-dealers, and may change the way in which Millennium conducts business with its brokers and other counterparties. It may take years to understand the impact of the Dodd-Frank Act on the financial industry as a whole, and therefore, the continued uncertainty may make markets more volatile and make it difficult for Millennium to execute the investment strategy of the Fund.

Regulation in the Derivatives Industry. The Dodd-Frank Act has had a significant impact on the derivatives industry. The Dodd-Frank Act divides the regulatory responsibility for derivatives in the United States between the SEC and the CFTC, a distinction that does not exist in any other jurisdiction. The CFTC has regulatory authority over “swaps” and the SEC has regulatory authority over “security-based swaps.” As a result of this bifurcation and the different pace at which the agencies have promulgated necessary regulations, different transactions are subject to different levels of regulation in the U.S. Though many rules and regulations have been finalized, there are others that are still in the proposal stage and more that will be introduced. In addition, there has been and will be extensive rulemaking related to derivative products by non-U.S. regulatory authorities. Differences between regulatory regimes may make it more difficult or costly for dealers, prime brokers, futures commission merchants (“**FCMs**”), custodians, exchanges, clearinghouses and other entities, such as the Fund, to comply with and follow various regulatory regimes. There are significant legal, operational, technological and trading implications that result from the Dodd-Frank Act and related rules and regulations that may make it difficult or impossible for the Fund to enter into otherwise beneficial transactions.

Systemic Risk. Systemic risk is the risk of broad financial system stress or collapse triggered by the default of one or more financial institutions, which results in a series of defaults by other interdependent financial institutions. Financial intermediaries, such as clearing houses, banks, securities firms and exchanges with which the Fund interacts, as well as the Fund, are all subject to systemic risk. A systemic failure could have material adverse consequences on the Fund and on the markets for the securities in which the Fund seeks to invest.

Assumption of Business, Terrorism and Catastrophe Risks. The Fund may be subject to the risk of loss arising from exposure that it may incur, indirectly, due to the occurrence of various events, including, without limitation, hurricanes, earthquakes, and other natural disasters, terrorism and other catastrophic events. These risks of loss can be substantial and could have a material adverse effect on the Fund and Feeder Fund investors’ investments therein.

Central Clearing. In order to mitigate counterparty risk and systemic risk in general, various U.S. and international regulatory initiatives are underway to require certain derivatives to be cleared through a clearinghouse. In the U.S., clearing requirements were part of the Dodd-Frank Act. The CFTC imposed its first clearing mandate on December 13, 2012 affecting certain interest rate and credit default swaps. It is expected that the CFTC and the SEC will introduce clearing requirements for other derivatives in the future. Trades submitted for clearing will be subject to minimum initial and variation margin requirements set by the relevant clearinghouse, the FCM, as well as possible SEC or CFTC mandated margin requirements. Clearing through FCMs has in certain cases led to losses caused by operational failure or fraud. As products become more standardized in order to be cleared, standardized derivatives may mean that the Fund may not be able to hedge its risks or express an investment view as well as it would using customizable derivatives available in the over-the-counter markets. Compared to the OTC derivatives market, the Fund may be subject to more onerous and more frequent (daily or even intraday) margin calls from both the clearinghouse and the FCM. In addition, clearinghouse margin is dynamic and may be increased in times of market stress. Although standardized clearing for derivatives is intended to reduce risk (for instance, it may reduce the counterparty risk to the dealers to which the Fund would be exposed under OTC derivatives), it does not eliminate risk. Rather, standardized clearing transfers risk of default from the over-the-counter derivatives dealer to the

central clearinghouse, which may increase systemic risk, potentially more so than a failure by an OTC derivatives counterparty. The failure of a clearinghouse, although less likely than the failure of a counterparty, could have a much more significant impact on the financial system. Because these clearinghouses are still developing and the related bankruptcy process is untested, it is difficult to speculate what the actual risks would be to the Fund related to the default of a clearinghouse. Also, a clearinghouse will likely require that the Fund relinquish control of its transactions if the clearinghouse were to become insolvent, and, therefore, the Fund would not be able to terminate and close out of a defaulting clearinghouse's positions, but would become subject to regulators' control over those positions. In such a circumstance, the Fund may not be able to take actions that it deems appropriate to lessen the impact of such clearinghouse's default. Applicable regulations may also require the Fund to make public information regarding its swaps volume, position size and/or trades, which could detrimentally impact the Fund's ability to achieve its investment objectives.

The EU Regulation on OTC Derivatives, Central Counterparties and Trade Repositories. The EU Regulation on OTC derivatives, central counterparties and trade repositories ("**EMIR**") introduced uniform requirements covering financial counterparties, such as investment firms, credit institutions, insurance companies and managers of alternative investment funds and certain non-financial counterparties in respect of central clearing of so-called "eligible" OTC derivative contracts through a duly authorized central counterparty, reporting the details of derivative contracts to a trade repository and certain risk mitigation requirements. Prospective investors should be aware that the regulatory changes arising from EMIR may increase the cost of entering into derivative transactions and adversely affect the Fund's ability to adhere to its investment approach and achieve its investment objective.

The EU Regulation on Markets in Financial Instruments. The MiFID II Directive and the proposed Markets in Financial Instruments Regulation ("**MiFIR**") (together the "**MiFID II Proposals**"), which will replace and recast the Markets in Financial Instruments Directive ("**MiFID**") contain new rules applicable to a broad range of activities of financial markets and market participants in the European Union ("**EU**"). When they come into force, which is expected to be in January 2018, the MiFID II Proposals will apply to investment firms, market operators and service providers providing post-trade transparency in the EU. The MiFID II Proposals will introduce a new type of trading venue, Organised Trading Facility ("**OTF**"), and require that all OTC derivative contracts that must be centrally cleared under EMIR be traded on OTFs. All trading in shares in the EU will have to be conducted on organised trading venues such as Regulated Markets ("**RMs**") or Multilateral Trading Facilities ("**MTFs**"), or on entities known as systematic internalisers, or on a third-country venue assessed as equivalent for these purposes. In addition, EU regulators will be empowered to limit the size of a net position which a person may hold in commodity derivatives, given their potential impact on food and energy prices. Under the new rules, positions in commodity derivatives (traded on trading venues and over the counter), would be limited, to support orderly pricing and prevent market distorting positions and market abuse. The MiFID II Proposals also introduce rules on algorithmic trading in financial instruments. Any EU investment firm engaging in algorithmic trading will be required to have effective systems and controls in place, such as "circuit breakers" that stop the trading process if price volatility gets too high. To minimize systemic risk, the algorithms used would have to be tested on trading venues and authorized by EU regulators. Records of all orders placed and cancelled by an EU investment firm's algorithm will be required to be stored and made available to the applicable EU regulator upon request. Further, the MiFID II Proposals contain more prescriptive rules applicable to best execution in a wide range of instruments and introduce new transparency requirements associated with the best execution obligation. The MiFID II Proposals also extend the transaction reporting requirement to a broader range of financial instruments and introduce new details which must be reported. Finally, the MiFID II Proposals will also impose new rules regarding payments for research and other non-monetary benefits. The MiFID II Proposals will require the adoption of delegated acts by the European Commission before the MiFID II Proposals become fully effective and details of various aspects of the MiFID II Proposals' implementation have not been finalized as at the date of this Brochure. Accordingly, it is difficult to predict the precise impact of the MiFID II Proposals on the Fund. Regulatory changes arising from the MiFID II Proposals may adversely affect the Fund's ability to adhere to its investment approach and achieve its investment objectives.

Brexit. In June 2016, the UK voted to leave the EU, commonly referred to as "Brexit," and of March 29, 2017 the UK triggered the withdrawal procedures in Article 50 of the Treaty of Lisbon, initiating a two-year (or, with the agreement of the parties, longer) period during which the arrangements for exit are to be negotiated. There can be no assurance that there will be a successful conclusion to those negotiations. This vote and the withdrawal process could cause an extended period of uncertainty and market volatility, not just in the UK but throughout the EU, the European Economic Area and globally. It is not possible to ascertain the precise impact these events may have on

the Fund or Millennium from an economic, financial or regulatory perspective or whether any such impact would be material.

Financial Transaction Taxes (“FTTs”). A number of European countries have adopted or proposed FTTs covering a wide variety of financial transactions, including transactions in equity and debt securities and derivatives and certain “high frequency” trading activity. The European Commission has proposed a pan-European FTT in at least 11 Member States that based on current proposals would levy the tax at a minimum level of 0.1% of the value of transactions in debt or equity securities and 0.01% of the value of derivative transactions. There have also been discussions of proposing an FTT in the U.S. In the future, additional countries may adopt FTTs and countries that have adopted FTTs may seek to expand the scope of transactions that are subject to FTTs. There are a number of uncertainties with respect to the calculation, remittance and enforcement of such FTTs. The FTTs that have been adopted increase the cost of trading affected financial instruments and in some instances contain measures designed to preclude avoidance of the tax by trading, for example, in derivative instruments. In some instances, such FTTs and administrative costs associated with them would make it prohibitive for the Fund to engage in trading activity subject to the tax, and there may be no alternative means of trading in equivalent instruments. Any such measures are likely to increase the costs of the Fund’s business, reduce the trading opportunities open to the Fund, or both, and their effect could be material.

Counterparty Risks. The Fund may enter into many transactions, including derivative and other over-the-counter transactions, with or through third parties in which the failure of the third party to perform its obligations could have a material adverse effect on the Fund. The counterparty risk is accentuated for contracts with longer maturities where events may intervene to prevent settlement, or where the Fund has concentrated its transactions with a single or small group of counterparties. The assets of the Fund and its trading affiliates generally are held in accounts maintained for them by their prime brokers or in accounts with other market participants, including non-U.S. sub-custodians selected by the prime brokers. The accounts generally are not segregated, bankruptcy-remote accounts titled in the owner’s name and, therefore, a failure of any broker or market participant is likely to have a greater adverse impact than if the assets, or the accounts in which they are held, were registered in the name of the Fund or its affiliate. In addition, because the Fund’s and its affiliates’ securities generally are held in margin accounts, and the prime brokers have the ability to loan those securities to other persons, the Fund’s or an affiliate’s ability to recover all of its assets in the context of a bankruptcy or other failure of a prime broker may be further limited. The Fund and its affiliates may transact with counterparties (including prime brokers) located in various jurisdictions outside the U.S. The local counterparties are subject to various laws and regulations in various jurisdictions that are designed to protect their customers in the event of their insolvency. However, the practical effect of these laws and their application to the Fund’s or its affiliates’ assets are subject to substantial limitations and uncertainties. Because of the large number of entities and jurisdictions involved and the range of possible factual scenarios involving the insolvency of a counterparty, it is impossible to generalize about the effect of their insolvency on the Fund and its assets. Investors should assume that the insolvency of any significant counterparty would result in a loss to the Fund, which could be material. If any counterparties of the Fund or its affiliates were to become insolvent or the subject of liquidation proceedings, there exists the risk that the recovery of the Fund’s or its affiliates’ securities and other assets from the prime broker or broker-dealer will be delayed or be of a value less than the value of the securities or assets originally entrusted to the prime broker or broker-dealer. Additionally, there is a risk that positions that are reasonably hedged may become “unhedged” as a result of the effect of insolvency proceedings.

Investments in Emerging Markets. Investing in the securities of companies (and, from time to time, governments) in emerging markets involves certain considerations not usually associated with investing in securities of companies based in developed countries or the governments of developed countries, including political and economic considerations, such as greater risks of expropriation, nationalization, confiscatory taxation, imposition of withholding or other taxes on interest, dividends, capital gains, other income or gross sale or disposition proceeds, limitations on the removal of assets and general social, political and economic instability; the relatively small size of the securities markets in such countries and the low volume of trading, resulting in potential lack of liquidity and in price volatility; evolving and relatively unsophisticated laws and regulations applicable to the securities and financial services industries; fluctuations in the rate of exchange between currencies and costs associated with currency conversion; and certain government policies that may restrict the Fund’s investment opportunities. In addition, accounting and financial reporting standards generally are not as high as U.S. and other developed country standards and, consequently, less information is typically available concerning companies located outside of developed countries than for those located in the U.S. and other developed countries. As a result, the Fund may be

unable to structure its transactions to achieve the intended results or to mitigate risks associated with such markets. It may also be difficult to enforce the Fund's rights in such markets. For example, securities traded on non-U.S. exchanges and the non-U.S. persons that trade these instruments are not subject to the jurisdiction of the SEC or the CFTC or the securities and commodities laws and regulations of the U.S. Accordingly, the protections accorded to the Fund under such laws and regulations are unavailable. As another example, the Fund may be exposed to the direct and indirect consequences of potential or actual political, economic, social and diplomatic changes in China. The Fund and any investments it may make in China may be subject to the following significant risks among others: inflation, volatility in exchange rates and other economic imbalances resulting from continued state involvement as China transitions to a market-driven economy; expropriation; less stringent and less uniform financial reporting standards, practices and disclosure requirements of publicly listed Chinese companies, lack of publicly available information about Chinese companies and unreliability of official data; and increasing geopolitical, governmental, economic and social instability in China.

Limited Diversification. In the normal course of making investments, by virtue of the Fund's multi-strategy, multi-manager approach, the Fund is generally expected to have a diverse investment portfolio. While we monitor investment concentrations for risk management purposes, we do not establish fixed limits and guidelines regarding diversification of investments to be followed by the Fund as a whole. As a result, the Fund's portfolio could, to a certain degree, become concentrated in a single issuer, industry, market or sector. The concentration of risk may increase losses suffered by the Fund. It is also possible that the Fund could become concentrated in any one strategy, and the investments of the strategy may be more illiquid than the investments in another strategy. In addition, it is possible that Millennium may select Portfolio Managers who make investments that are concentrated in a limited number of types of financial instruments. This limited diversity may lead to greater volatility than would otherwise be the case, and could expose the Fund to losses disproportionate to market movements in general. Even when the Firm attempts to control risks and diversify the portfolio, risks associated with different assets may be correlated in unexpected ways, with the result that the Fund faces concentrated exposure to certain risks. Although the Firm attempts to identify, monitor and manage significant risks, these efforts do not take all risks into account and there can be no assurance that these efforts will be effective. Any inadequacy or failure in the Firm's risk management efforts could result in material losses for the Fund.

Borrowing and Lending Activities and Margin Requirements. The Fund borrows, pledges, loans and otherwise finances assets on both a secured and an unsecured basis and may issue notes or enter into credit agreements, indentures or other financing arrangements in order to achieve efficient financing structures. At any given time, the outstanding contractual obligations of the Fund are likely to total well in excess of its equity. There is no restriction on the ability of the Fund to borrow or enter into such contractual obligations. The brokers and market counterparties with which the Fund transacts will have a secured claim against the assets of the Fund that are on deposit with the brokers or counterparties, senior to the claim of the Feeder Funds (and their investors). Significant losses from investment activities or changes in market conditions that affect the assets could result in the brokers' or counterparties' foreclosing on the assets securing the obligations. The Fund may maintain balances with certain counterparties in excess of margin requirements or other obligations to such counterparties (*i.e.*, "excess collateral"). In the event of the insolvency of the financing provider under such an arrangement, the Fund's claim for the value of such excess collateral would be unsecured. While the Fund seeks to enter into "lockup" agreements with many of its key equity prime brokerage counterparties limiting the ability of those counterparties to change financing or margin terms, recall loans or refuse to execute trades for a period of time after notice is given absent an event of default or other termination event under the agreements, creditors that provide financing to the Fund may, in certain circumstances, accelerate a loan and require repayment in full upon the occurrence of certain events, including: (i) changes in key management; (ii) suspension of redemptions; (iii) violations of minimum capital levels; (iv) the imposition of regulatory sanctions on the Fund or its key personnel that would materially and adversely affect the Fund's ability to conduct its business or perform under the agreements; or (v) certain market conditions, including in the event that such counterparty is no longer able to secure financing. In addition, market conditions may make it difficult to obtain committed financing for extended periods of time or at all, particularly when assets securing the financing are less liquid and such agreements may not be available or economically attractive with respect to certain asset classes. In many cases, when such lockup agreements are not in place, the banks and dealers that provide financing to the Fund can apply discretionary margin, "haircut" financing and security and collateral valuation policies. Changes by banks and dealers in such policies, or the imposition of other credit limitations or restrictions, whether due to market circumstances or governmental, regulatory or judicial action, may result in large margin calls, requirements to post additional collateral, loss of financing, forced liquidation of assets at disadvantageous prices,

termination of swap and repurchase agreements and cross defaults to agreements with the same or other counterparties. Any such adverse effects may be exacerbated in the event that such limitations or restrictions are imposed suddenly and/or by multiple market participants at or about the same time. The imposition of the limitations or restrictions could compel the Fund to liquidate all or part of its portfolio at disadvantageous prices. Assets loaned by the Fund to third parties or collateral used to finance borrowing may not be required to be kept segregated by the third parties, and may be subject to the claims of other creditors of the third parties. Third parties that enter into financing transactions with the Fund may default on their obligations to return the Fund's assets or pay amounts owed to the Fund. Additionally, the Fund may experience a delay in the recovery of or loss of rights in the collateral, if any.

Liquidity; Availability of Credit. The Fund's investment strategies depend on the availability of credit in order to permit the financing of its portfolio. The Fund's liquidity could be impaired by an inability to access debt markets, an inability to sell assets or unforeseen outflows of cash or collateral. Any or all of these situations could arise due to circumstances that the Fund may be unable to control, such as a general market disruption or an operational problem that affects third parties. A lack of liquidity has historically been the cause of substantial losses in the securities industry. Liquidity risk will be increased if the Fund is required to liquidate positions to meet margin requirements, margin calls or other funding requirements. If there are other market participants seeking to dispose of similar financial instruments at the same time, the Fund may be unable to sell the financial instruments or prevent losses relating to the financial instruments. In times of market stress, the liquidation of securities that are generally regarded as highly liquid nonetheless may result in the Fund incurring significant losses. Furthermore, if the Fund incurs substantial trading losses, the need for liquidity could rise sharply while its access to liquidity could be impaired. The ability of counterparties to take actions following declines in investment values which result in the forced liquidation of highly leveraged positions in declining markets, including as a result of the Fund's having insufficient liquidity to meet margin calls, could subject it to substantial losses. We may fail to adequately predict the liquidity that the Fund requires to address counterparty requirements relating to falling values of investments being financed by the counterparties, which could result not only in losses related to the investments, but also in losses related to the need to liquidate unrelated investments in order to meet the Fund's obligations. The Fund's losses may be magnified in the event that significant capital is invested in highly leveraged investments or investment strategies. Such losses would result in a decline in assets, may lead to requests from investors in the Feeder Funds to redeem or withdraw remaining assets, and may in certain circumstances damage the Fund's reputation.

Cost and Availability of Financing. The Fund obtains significant financing from counterparties that are regulated entities subject to regulatory capital requirements, which require the counterparty to maintain certain core capital and risk-based capital ratios and limit the type of assets that qualify as capital. In addition to the capital requirements, counterparties (or an applicable affiliate from which a counterparty obtains internal funding) that are depository institutions are required to comply with (i) reserve requirements that require an institution to maintain cash reserves at least equal to a certain percentage of the total value of all its transactional accounts and non-personal time deposits, and (ii) liquidity requirements that require an institution to maintain cash and other liquid assets at least equal to a certain percentage of the total value of its net withdrawable deposit accounts and borrowings payable in one year or less. These regulatory capital, reserve, and liquidity requirements are expected to become more stringent in the coming years with the implementation of the standards set forth in the Basel Committee's 2010 capital and liquidity reform package known as Basel III. The implementation of Basel III may cause the cost of financing obtained by the Fund from such counterparties to become more expensive or, in some cases, unavailable. Additionally, the margin and collateral requirements of the Fund with respect to such financing may also increase. An increase in financing costs may cause certain of the Fund's trading strategies to become less profitable or unprofitable. Additionally, an increase in the margin and collateral requirements with respect to financing may adversely affect the Fund.

Position Limits. "Position limits" imposed by various regulators or self-regulatory organizations and exchanges may also limit the Fund's ability to effect desired trades. Position limits are the maximum amounts of gross, net long or net short positions that any one person or entity may own or control in a particular financial instrument. All positions owned or controlled by the same person or entity, even if in different accounts, may be aggregated for purposes of determining whether the applicable position limits have been exceeded. Thus, even if the Fund does not intend to exceed applicable position limits, it is possible that different accounts managed by the Firm or its Portfolio Managers may be aggregated. To the extent that the Fund's position limits were aggregated with an affiliate's

position limits, the effect on the Fund and resulting restriction on its investment activities may be significant. If at any time, positions managed by us were to exceed applicable position limits, we would be required to liquidate positions, which might include positions of the Fund, to the extent necessary to come within those limits. Further, to avoid exceeding the position limits, the Fund might have to forego or modify certain of its contemplated trades.

Indebtedness. The Fund customarily borrows funds on a secured basis. The Fund may also borrow through the issuance of notes. In the event that funds available to the Fund were insufficient to meet principal or interest obligations on indebtedness (by reason of acceleration of the indebtedness or otherwise), then funds would not be available to the Feeder Funds for equity redemptions or withdrawals or for other purposes. Additionally, the terms of any indebtedness or related agreements could include covenants restricting the ability of the Fund to take actions, or waive conditions, that might otherwise have been taken for the benefit of the Feeder Funds and ultimately their investors. One such covenant might include a limitation on the Fund's ability to pay equity distributions to the Feeder Funds, if, for example, the Fund's net asset value were to drop below a specified threshold as a result of the payment. There is no limitation on the right or ability of the Fund to enter into any such borrowing arrangements or related agreements.

Valuation Risk. The Fund's administrator issues the Fund's net asset value on a monthly basis after performing certain checks on valuation and independent verification and reconciliation of the Fund's assets and liabilities, as well as reviewing and recording of the Fund's expenses. Valuations of publicly traded security positions are compared to market data independently obtained from third party market data providers. Valuations of some other securities positions are compared to information received from third parties, including brokers and independent valuation service providers. Securities positions and cash balances are reconciled with the Fund's records based upon confirmations or statements that the administrator independently receives from prime brokers and other financial institutions which hold assets of the Fund. The procedures performed do not constitute an audit in accordance with auditing standards generally accepted in the United States. (although the financial statements of the Fund are audited in accordance with such standards by the Fund's independent auditors on an annual basis). The verification and review work conducted by the Fund's administrator does not constitute a 100% verification of our valuation work. The initial processes for determining the fair value of the Fund's positions (which are generally subject to independent verification by the Fund's administrator) are administered by our Valuation Committee, which is comprised of persons independent from specific portfolio management decisions. The fair value of investment positions is determined using a number of methodologies described in our valuation policies and procedures as amended or revised from time to time, which may, in some cases, involve the exercise of a significant degree of judgment by us. The methodologies that the Valuation Committee uses in valuing individual investments are based on a variety of estimates and assumptions specific to the particular investment, and actual results related to the investment therefore may vary materially as a result of the inaccuracy of the assumptions or estimates. In addition, the Fund may at times hold illiquid investments in industries or sectors that are unstable, in distress or undergoing some uncertainty, and such investments are subject to rapid changes in value. The values of investments reflected in the net asset value of the Fund (which is used to calculate performance-based compensation) may not always reflect the prices that would actually be obtained by us on behalf of the Fund if the investments were immediately liquidated. The Fund's audited financial statements generally are prepared in accordance with GAAP. Accounting Standards Codification 820, *Fair Value Measurements and Disclosures*, defines and establishes a framework for measuring fair value under GAAP and expands financial statement disclosure requirements relating to fair value measurements. Under rare circumstances, certain of the Fund's assets or liabilities may be assigned a value under our valuation policies and procedures that diverges from their valuation in accordance with GAAP.

Investments in Third-Party Investment Funds. The Fund may invest a portion of its assets in investment funds managed by third parties. The Fund generally will have less ability to (i) monitor the investments, (ii) regularly obtain full, current information and (iii) exercise control rights over the investments, than it has with respect to other allocations of capital of the Fund. In addition, the Fund may not be able to withdraw assets from third-party funds at times when it might otherwise wish to do so. With respect to any such assets, the Fund generally relies on the valuations provided by the third-party funds and generally will not have sufficient information to be able to confirm or review the accuracy of the valuations. In the event that the Fund does not receive a valuation from a third-party fund, or determines, in its sole discretion, that a valuation is inaccurate or incomplete, the Fund may, in its sole discretion, determine the fair value of its interests in the third-party fund independently of the valuations provided by the third-party fund based on information available to, and factors deemed relevant by, the Fund at the time.

Trade Execution Risk. Many of the investment techniques used by the Portfolio Managers require the rapid and efficient execution of transactions, or the ability of the Portfolio Managers to accumulate or liquidate large positions. Inefficient execution can impair realization of the market opportunities sought with the techniques.

Trade Error Risk. Occasionally, transactions may be executed erroneously on terms other than those intended by the Fund or a Portfolio Manager. For example, a transaction may be executed in the wrong asset, for the wrong quantity or price, to buy when the Fund or a Portfolio Manager meant to sell, to sell when the Fund or a Portfolio Manager meant to buy or by reason of a programming error in a trading program. Programming errors could also lead to the submission of repetitive orders or orders otherwise made in excess of any intention, or could cause an algorithm-driven program to bypass risk management or other controls. Except to the extent otherwise required by law, the Fund will bear the losses or costs of any such errors, unless we determine that the error occurred due to our (or, in certain circumstances, our agents') fraud, gross negligence or reckless or intentional misconduct or we determine that it is appropriate to charge a Portfolio Manager for the costs and expenses of the error.

Investment Strategies of the Portfolio Managers. Portfolio Managers, among other things, will seek to use specialized investment strategies, follow allocation methodologies, apply investment models or assumptions, and enter into hedging and other strategies intended to affect their performance and risk levels. The Fund cannot guarantee that any Portfolio Manager will have success in achieving any goal related to those practices.

Relative Value and Fundamental Value Strategies. Portfolio Managers may engage in both relative-value/arbitrage and fundamental-value strategies with directional exposures. Some Portfolio Managers will use elements of both approaches in their strategies. Fundamental-value strategies frequently involve judgments about the future direction of financial instrument prices, markets and market factors. If Portfolio Managers make incorrect judgments, the Fund could fail to earn profits or could sustain significant losses. Arbitrage and relative-value strategies seek to profit from mispricings and inefficiencies in the capital markets, frequently by entering into simultaneous long and short positions. Pure arbitrage opportunities are rare. Relative-value/arbitrage Portfolio Managers may hold directional exposures to select financial instrument prices, markets, and market factors. Generally, it is not possible to hedge all risks and exposures in relative-value/arbitrage strategies. Arbitrage and relative-value strategies frequently entail the use of significant leverage and derivative instruments, which may be volatile and illiquid. Portfolio Managers may be incorrect about perceived mispricings among financial instruments, relative mispricings could be sustained for an extended period or Portfolio Managers may be unsuccessful in structuring and executing trades to profit from perceived mispricings. Financial instruments may move in unexpected patterns. Even if financial instruments are mispriced relative to each other based on historical or other relationships, they may fail to converge in price for various reasons. The historical relationships between the prices of different securities and financial instruments may change suddenly and unexpectedly for various reasons. Also, strategies that are largely uncorrelated under normal market conditions may become more correlated at times of market stress. As a result, relative value/arbitrage strategies may be subject to the same risk of loss as fundamental or directional strategies.

Model-based Strategies. Certain of the Fund's investment strategies are based on models of the behavior of financial instruments, market conditions or certain market participants and use formulas or algorithms to make trading decisions by reviewing a variety of inputs, comparing the information against historical and current data, and predicting price movements. These models are developed by Portfolio Managers or third parties. Models generally must be updated in order to remain effective. There can be no assurance that the Portfolio Managers will be able to continue to develop, update or acquire effective models and any changes that are made in an attempt to respond to perceived changes in market conditions may be unsuccessful. Additionally, virtually all computer programs contain some errors or "bugs" and it is impractical to eliminate 100% of the bugs in the programming process (although programs generally are tested before they are put into use, in an attempt to eliminate errors that would be likely to have significant consequences). As a result, while we expect that our and our Portfolio Managers' personnel will endeavor to minimize the effect of programming errors, we cannot provide any assurance that all programs will in all instances operate in the intended manner, and there may be remaining programming errors which could have substantial adverse consequences.

Statistical Arbitrage Strategies. The success of some of the Fund's statistical arbitrage or quantitative strategies depends on the market values of various financial instruments moving towards their theoretical values (or relative values) as predicted by statistical modeling. In the event of market disruptions generally or specific events that cause deviations from historical relationships between certain financial instruments and other instruments or data

points used to predict value, significant losses could be incurred.

Regulatory Risks Applicable to Algorithmic Trading Strategies. A recent increase in governmental and regulatory scrutiny has focused on investment funds that operate automated or computer-based trading. Such scrutiny has lead and can in the future lead to costly investigations, litigation, legislative testimony, loss of reputation, fines and settlements, and could also result in additional severe consequences. The SEC approved a two-year pilot program that began in May 2016 and will allow equity securities of certain, small-cap companies with a market capitalization of \$3 billion or less, among other factors, to trade in five-cent increments. This may have the effect of increasing the cost of trading by market participants, including the Fund. The SEC has considered the imposition of additional mechanisms to eliminate “quote stuffing,” whereby large numbers of stock orders are placed and canceled almost immediately, such as by setting minimum amounts of time for which stock quotes must remain active. The implementation of new trading “circuit breakers” and additional trading limitations are also being considered by the SEC. These mechanisms would restrict programmatic trading in the event that a market moved up or down by more than a predetermined number of points on any trading day. The CFTC proposed Regulation Automated Trading (“**Regulation AT**”) in November 2015, which would impose potentially burdensome risk and compliance controls on any person engaged in “algorithmic trading” on any U.S. designated contract market, including among other things, certain pre-trade risk controls, and policies addressing controls around model development, testing and monitoring and algorithmic-focused training. The MiFID II Proposals in the European Union also introduce rules on algorithmic trading in financial instruments (as described above under “*The EU Regulation on Markets in Financial Instruments*”). In the event of their implementation, compliance with any one or more of the abovementioned proposed regulations may negatively impact the ability of certain Portfolio Managers to effect their trading strategies, and may in turn have a negative effect on the Fund’s investments. Similar regulation of algorithmic trading is being considered by other global securities regulators.

Merger Arbitrage and Other Event-Driven Strategies. Merger arbitrage and other event-driven, including index rebalancing, investment strategies generally incur significant losses when proposed transactions are not consummated, issuer modifications or reweighting applied to indices do not occur as anticipated or other expected events do not occur. The consummation of mergers, tender offers, exchange offers and other significant corporate events can be prevented or delayed by a variety of factors, including: (i) regulatory intervention; (ii) efforts by a target company to pursue a defensive strategy; (iii) the failure to obtain necessary shareholder approvals; (iv) adverse company, market or business conditions resulting in a material change or termination of the pending transaction; (v) additional requirements imposed by law; and (vi) the inability to obtain adequate financing. Any such events could lead to losses. Index rebalancing strategies rely on directional long and short positions based on anticipated modifications and reweighting of issuers making up a certain index or indices. These strategies may result in increased concentration risk with respect to any issuer that is part of such an index. In addition, given that other market place participants may pursue an index rebalancing strategy and anticipate similar directional trades (on a long and/or short basis) at or around the same time, index rebalancing strategies may lease to potential for losses resulting from a scarcity of sourcing for trades pertaining to an issuer.

Convertible Arbitrage Strategies. Convertible arbitrage strategists identify convertible bonds, convertible preferred stocks or warrants that appear mispriced or undervalued, yet offer a favorable rate of return. By establishing a long position in a convertible security (usually preferred stock or bonds) and a partially offsetting short position in the underlying security into which the convertible security is convertible (usually common stock of the issuer), a Portfolio Manager invests with the expectation of capturing price or yield differences or to seek to profit from cash flow (e.g., coupon income and stock borrowed rebate). Generally, changes in interest rates can influence the investment value of a convertible security. The credit standing of the issuer, the value of the underlying stock and other factors may also have an effect on the convertible security’s investment value. A convertible security may be subject to redemption at the option of the issuer at a price established in the convertible security’s governing instrument. If a convertible security held by a Portfolio Manager is called for redemption, the Portfolio Manager will be required to permit the issuer to redeem the security, convert it into the underlying common stock or sell it to a third party. Any of these actions could result in losses to the Fund.

Short Positions. Portfolio Managers routinely take short positions in a wide range of assets, typically as part of a hedged strategy intended to reduce the risk of investing. A short sale of an asset exposes the seller to the risk of an increase in the market price of that asset with a theoretically unlimited risk of loss. Purchasing assets to close out a short position can itself cause their market price to rise further, increasing losses on the short position. Furthermore,

Portfolio Managers may prematurely be forced to close out a short position if a lender demands the return of the asset borrowed (and sold short) and an alternative source of borrowing that asset is not available. Certain market regulators have imposed restrictions or bans on the ability for market participants to take short positions and the frequency with which such restrictions are imposed has increased in recent years. Among other things, such restrictions make hedging practices more difficult and expose the Fund to greater risk.

Portfolio Turnover. Portfolio Managers frequently invest on the basis of short-term market considerations. The turnover rate of the Portfolio Managers' positions may therefore be significant, potentially involving substantial brokerage commissions and fees.

Loan Participations. The Fund or certain of its affiliates may buy and sell loan participations (*i.e.*, interests in a loan, generally governed by a credit agreement between the original lending syndicate and the borrower) in the secondary market. These investments involve certain risks in addition to those associated with direct loans. A loan participant has no direct contractual relationship with the borrower of the underlying loan. As a result, the participant generally is dependent on the lender from which the participation is purchased to enforce its rights and obligations under the credit agreement in the event of a default, and may not have the right to object to amendments to or modifications of the terms of the credit agreement in which it participates. A participant in a syndicated loan generally does not have voting rights, which are retained by the lender from which the participation is purchased. In addition, a loan participant is subject to the credit risk of the lender from which the participation is purchased as well as that of the borrower, since a loan participant is dependent upon the lender from which the participation is purchased to furnish to the participant its share of payments of principal and interest received on the underlying loan. Participations in which the Fund invests generally are not secured obligations of the lender from which they are acquired.

Distressed and High-Yield Securities. Portfolio Managers may invest in securities issued by, or other indebtedness of, companies in weak and/or deteriorating financial condition, experiencing poor operating results, needing substantial capital investment, having negative net worth, facing special competitive or product obsolescence problems or involved in bankruptcy or reorganization proceedings. Investments of this type are generally not exchange-traded and, as a result, these instruments trade in the over-the-counter marketplace, which is less transparent than the exchange-traded marketplace, and further, may involve substantial financial and business risks, which are often heightened by an inability to obtain reliable information about the issuers. The investments can result in significant or even total losses. In addition, the markets for distressed and high-yield securities are frequently illiquid. The market prices of distressed and high-yield assets are subject to abrupt and erratic market movements and above-average price volatility, and the spreads between the bid and asked prices of such assets may be greater than those prevailing in other markets. It may take a number of years before the market price of the assets reflects their perceived intrinsic value, if they ever do. In liquidation (both in and out of bankruptcy) and other forms of corporate reorganization, there exists the risk that the reorganization either will be unsuccessful (for example, due to failure to obtain requisite approvals), will be delayed (for example, until various liabilities, actual or contingent, have been satisfied), or will result in a distribution of cash or a new asset the value of which will be less than the carrying value of the asset in respect of which the distribution was made. Distressed assets also may be adversely affected by laws relating to, among other things, fraudulent transfers and other voidable transfers or payments and lender liability, as well as bankruptcy and other judicial courts' power to disallow, reduce, subordinate or disenfranchise particular claims. High-yield instruments face ongoing uncertainties and exposure to adverse business, financial or economic conditions which could lead to the issuer's inability to meet timely interest and principal payments. The market values of certain of these lower-rated and unrated debt instruments tend to reflect individual corporate developments to a greater extent than do higher-rated instruments which react primarily to fluctuations in the general level of interest rates, and tend to be more sensitive to economic conditions than are higher-rated instruments. Companies that issue such instruments are often highly leveraged and may not have available to them more traditional methods of financing. It is possible that a major economic recession could disrupt severely the market for such instruments and may have an adverse impact on the value of such instruments. In addition, it is possible that any such economic downturn could adversely affect the ability of the issuers of such instruments to repay principal and pay interest thereon and increase the incidence of default of such instruments.

Differential Cash Flows on Related Positions. Certain of the Fund's strategies may involve taking positions that are subject to unilateral margin in favor of the counterparty. These positions may be related to or hedged with other positions margined on a bilateral mark-to-market basis, which may require the Fund to supply margin on a position

while a counterparty would not be required to supply margin on the related position. Additionally, there may be circumstances where the financing costs of related positions may become imbalanced (e.g., where the financing rates of one of the positions is subject to more frequent revision). Due to the cash flow imbalances between the assets, in certain market scenarios, the Fund may be forced to close out the positions, perhaps at disadvantageous prices, or may bear additional expenses in keeping positions open.

Structured Investment Products. Certain Portfolio Managers may invest in, or otherwise participate in, a variety of different structured investment products; for example, total return swaps, participating notes, options, credit default swaps and collateralized debt obligations. These structured products involve not only the risks of the underlying “reference asset,” but also other risks including, without limitation, acceleration of the financing embedded in the structure, counterparty credit risk, and/or restrictions imposed on the management and nature of the permissible reference assets and costs of creating the structured products.

Interest-Rate and Foreign Exchange-Rate Risks. The prices of assets held by the Fund may be sensitive to interest-rate and foreign exchange-rate fluctuations; such fluctuations could cause the U.S. dollar value of long and short positions to move in unanticipated directions. To the extent that interest-rate and foreign exchange-rate assumptions underpin the hedging of a particular position, fluctuations in rates could invalidate those underlying assumptions and expose the Fund to losses. The Fund is not obligated to hedge its exposure to any risks, including, without limitation, interest-rate and foreign exchange-rate risks.

Mortgage-backed Securities (“MBS”) and Asset-backed Securities (“ABS”). Some investment characteristics of MBS and ABS differ from traditional debt securities. Among the major differences are that interest and principal payments are made more frequently, usually monthly, and that the principal may be prepaid at any time because the underlying mortgages or other assets generally may be prepaid at any time. The frequency with which prepayments (including voluntary prepayments by the obligors and liquidations due to defaults and foreclosures) occur on loans and other assets underlying MBS and ABS will be affected by a variety of factors including the prevailing level of interest rates as well as economic, demographic, tax, social, legal and other factors. Generally, mortgage obligors tend to prepay their mortgage loans when prevailing mortgage rates fall below the interest rates on their mortgage loans. Although ABS are generally less likely to experience substantial prepayments than are MBS, certain of the factors that affect the rate of prepayments on MBS also affect the rate of prepayments on ABS. Particular investments may experience outright losses, as in the case of an interest only security in an environment of accelerated actual or anticipated prepayments. Particular investments will be affected by the credit quality of their underlying loan and the creditworthiness of the borrower. Also, particular investments may underperform relative to hedges that a Portfolio Manager may have constructed in these investments, resulting in a loss.

Illiquid and Restricted Securities. Portfolio Managers may invest in illiquid over-the-counter securities, securities of young, development-stage companies (whether publicly traded or issued in a private placement) and financially troubled companies, non-publicly traded securities, MBS, ABS and securities traded on non-U.S. exchanges, and may make other investments that are relatively illiquid or that subsequently become illiquid. In general, securities and other investments are classified as illiquid because there are legally-imposed restrictions on resale or liquidation, because the market for the particular security or the volume of trading is so small as to effectively impose limits on the speed or price at which the liquidation of a given position can be effected, or due to a combination of the foregoing factors. Portfolio Managers may be unable to sell illiquid securities and investments at the most opportune times or at prices approximating the value at which the Fund is carrying the securities or investments.

Small Capitalization Companies. Portfolio Managers may invest in securities of small capitalization companies and recently organized companies and may establish significant long or short positions in such securities. While such securities may provide significant potential for appreciation, the securities of certain companies, particularly smaller-capitalization companies, involve higher risks in some respects than do investments in securities of larger companies. Historically, such securities have been more volatile in price than those of larger capitalized, more established companies. The securities of small capitalization and recently organized companies typically pose greater investment risks because the issuers may have limited product lines, distribution channels and financial and managerial resources. In particular, small capitalization companies may be operating at a loss or have significant period-to-period variations in operating results; may be engaged in a rapidly changing business with products subject to substantial risk of obsolescence; may require substantial additional capital to support their operations, to finance expansion or to maintain their competitive position; and may have substantial borrowings or may otherwise

have a weak financial condition. In addition, these companies may face intense competition, including competition from companies with greater financial resources, more extensive development, manufacturing, marketing, and other capabilities, and a larger number of qualified managerial and technical personnel. Further, there is often less publicly available information concerning such companies than for larger, more established businesses. The equity securities of small capitalization companies may not be traded in the volumes typical of larger capitalization companies. Consequently, the Portfolio Managers or entities in which the Portfolio Managers invest may be required to dispose of the securities or cover a short position over a longer (and potentially less favorable) period of time than is required to dispose of or cover a position with respect to the securities of larger, more established companies. Investments in small capitalization companies may also be more difficult to value than other types of securities because of the foregoing considerations as well as lower trading volumes. Investments in companies with limited operating histories may be more speculative and may entail greater risk than investments in companies with an established operating record. Additionally, transaction costs for these types of investments are often higher than for those in larger capitalization companies. In addition, due to thin trading in the securities of some small-capitalization companies, an investment in those companies may be illiquid.

Hedging Transactions. The Fund utilizes financial instruments both for investment purposes and for risk management purposes in order to: (i) protect against possible changes in the market value of the Fund's investment portfolio resulting from fluctuations in the securities markets and changes in interest rates; (ii) protect the Fund's unrealized gains in the value of the Fund's investment portfolio; (iii) facilitate the sale of any such investments; (iv) enhance or preserve returns, spreads or gains on any investment in the Fund's portfolio; (v) hedge against a directional trade; (vi) hedge the interest rate or currency exchange rate on any of the Fund's liabilities or assets; (vii) protect against any increase in the price of any securities the Fund anticipates purchasing at a later date; or (viii) satisfy any other purpose that the Portfolio Manager deems appropriate. Hedging against a decline in the value of a portfolio position does not eliminate fluctuations in the values of portfolio positions or prevent losses, although hedging does typically reduce the risk of loss. On the other hand, the hedging transactions also limit the opportunity for gain if the value of a portfolio position should increase. Moreover, it should be noted that (i) a Portfolio Manager may determine not to hedge against, or may not anticipate, certain risks, (ii) the portfolio will always be exposed to certain risks that cannot be hedged, and (iii) there is no guarantee that a hedge will be properly implemented, will function in the manner anticipated or will not be adversely effected by changes in the applicable law or regulation. The success of the Fund's hedging transactions to a significant degree will be subject to the ability of each Portfolio Manager correctly to assess the relationships between groupings of securities within the Portfolio Manager's portfolio. In addition, the degree of correlation between price movements of the instruments used in a hedging strategy and price movements in the portfolio position being hedged may vary. Since the characteristics of many securities change as markets change or time passes, the success of any hedging strategy will also be subject to the ability to continually recalculate, readjust and execute hedges in an efficient and timely manner. While the Fund may enter into hedging transactions to seek to reduce risk, such transactions may result in a poorer overall performance for the Fund than if it had not engaged in such hedging transactions. For a variety of reasons, a Portfolio Manager may not seek to establish a perfect correlation between the hedging instruments utilized and the portfolio holdings being hedged. Such an imperfect correlation may prevent the Fund from achieving the intended hedge or expose the Fund to risk of loss. The Fund will not be required to hedge any particular risk in connection with a particular transaction or its portfolios generally. Moreover, it should be noted that the portfolio will always be exposed to certain risks that may not be hedged. The successful utilization of hedging and risk management transactions requires skills complementary to those needed in the selection of the Fund's portfolio holdings. Currency hedging activities that the Fund engages in will generally require the use of a portion of the Fund's assets for margin or settlement payments or other purposes. For example, the Fund may from time to time be required to make margin, settlement or other payments, including intra-month, in connection with the use of certain hedging instruments. Counterparties to any currency hedging activities may demand payments on short notice, including intra-day. As a result, the Fund may liquidate assets sooner than it otherwise would have in order to have available cash to meet current or future margin calls, settlement or other payments, or for other purposes. Moreover, due to volatility in the currency markets and changing market circumstances, the Fund may not be able to accurately predict future margin requirements, which may result in holding excess or insufficient cash and liquid securities for such purposes. Where the Fund does not have cash or assets available for such purposes, the Fund may be required to dispose of assets at disadvantageous prices or might fail to comply with certain of its contractual obligations. Such failures could, without limitation, include failing to meet margin calls or settlement or other payment obligations. If the Fund were to default on any of its material contractual obligations, the Fund would

likely be materially adversely affected.

Hedging Related to Non-U.S. dollar Denominated Sub-Classes. One of the Feeder Funds has issued Non-USD Shares (as defined in Item 11). The Fund generally expects to seek to hedge the currency exposure of the Non-USD Shares to minimize, to the extent reasonably practicable, fluctuations in the value of such shares arising from fluctuations in the applicable exchange rate and expects to engage in transactions, including the purchase and sale of spot and forward contracts, currency options and currency futures contracts to manage U.S. dollar-foreign currency risks. The expense and risk associated with such transactions is borne by the holders of the relevant sub-classes of Non-USD Shares. There can be no assurance that the currency hedging activities in connection with the Non-USD Shares will be effective. In addition, there can be no assurance that the currency hedging activities will fully protect investors from a decline in the value of the U.S. dollar against the foreign currency. There may be circumstances in which the Fund (or any other entity engaging in the hedging of the Non-USD Shares) determines not to conduct any currency hedging activities in whole or in part for a certain period of time, including, without limitation, when such entity determines, in its sole discretion, without notice to shareholders of the Feeder Fund, that currency hedging is not practicable or possible or may materially and adversely affect the Fund or any of their direct or indirect investors. As a result, foreign currency exposure could go fully or partially unhedged for that period of time. There can be no assurance that the Fund (or any other entity engaging in the hedging of the Non-USD Shares) will be able to hedge, or be successful in hedging, the currency risk referred to. As an alternative to some or all of the hedging activities described above a Feeder Fund may maintain part or all of the initial investment in the applicable currency, and may convert a portion of amounts subsequently earned by the Master Fund into such currency and, directly or indirectly, may make that currency available to the Master Fund for business conducted in such currency by it in the ordinary course.

Cash Management. The Fund may hold cash or money market instruments. The percentage of the Fund invested in and among such holdings varies and depends on various factors, including market conditions and purchases and redemptions or withdrawals of shares or interests of the Feeder Funds. The Fund may agree to certain restrictions on the liquidity of the underlying cash or money market instruments in exchange for a more favorable interest rate or increased capacity (e.g., “time deposits”). Furthermore, when instruments other than demand deposits of cash are held (e.g., money market instruments or short-term securities), there may be greater market risk, illiquidity risk, or the risk of operational delays in converting the instrument into cash. Demand deposits in cash are generally not collateralized and would give rise to an unsecured claim in the event of the bankruptcy of the deposit-taking institution.

Trading in Commodities and Derivatives Generally. A Portfolio Manager may utilize derivative instruments such as options, futures, forward contracts, total return swaps, credit default swaps, and interest rate swaps, caps and floors, both for investment purposes and to hedge against fluctuations in the relative values of that Portfolio Manager’s portfolio positions. These are instruments whose values are based upon underlying assets, indices or reference rates or a combination of these, and generally represent future commitments to exchange cash flows or to purchase or sell other financial instruments (or make an equivalent cash payment) at specified future dates. Certain derivatives (options and credit default swaps in particular) may have intrinsic value separate from the value of underlying assets based upon market perception of creditworthiness or expected volatility in the value of the asset. The use of derivatives involves a variety of material risks, including the possibility of counterparty non-performance as well as of deviations between the actual and theoretical value of the derivatives. Derivatives also are inherently subject to two sources of risk: risk of loss due to adverse changes in the value of the underlying asset and risk of loss due to the insolvency or creditworthiness of the counterparty. In addition, the markets for certain derivatives may be illiquid. Derivatives are typically intrinsically leveraged investments that may entail investment exposures that are greater than the initial amount of collateral required to enter into the derivative, meaning that an investment in a derivative could ultimately incur losses many times greater than the initial collateral requirements and could therefore have a disproportionate effect on the performance of the Fund. The Fund could also experience losses if the derivatives that are acquired or sold as a hedge are poorly correlated with the investment to be hedged, or if a Portfolio Manager is unable to liquidate a position because of an illiquid secondary market. Changes in liquidity may result in significant, rapid and unpredictable changes in the prices for derivatives. The Portfolio Managers may trade commodities, futures and options, and may enter into swap agreements. The prices of commodities contracts and all derivative instruments, including futures and options, may depend upon a number of factors, including the prices of the underlying assets and may be highly volatile. Price movements of commodities, futures and options contracts and payments pursuant to swap agreements are influenced by, among other things, interest rates, changing

supply and demand relationships, trade, fiscal, monetary and exchange control programs and policies of governments, and national and international political and economic events and policies. In addition, the Fund is subject to the risk of failure of any of the exchanges on which they trade, their clearinghouses or the clearing brokers through which their trades clear. In the case of commodity contracts traded on non-U.S. exchanges and certain derivative instruments, the Fund may be subject to the risk of the inability of, or refusal by, the counterparty to perform. In addition, profits realized in non-U.S. markets could be eliminated by adverse changes in the applicable currency exchange-rate, or the Fund could incur losses as a result of those changes.

Factors Affecting Commodities Prices. The values of commodities which underlie commodity futures contracts and other types of financial instruments are generally affected by, among other factors, the cost of producing commodities, changes in consumer demand for commodities, the hedging and trading strategies of producers and consumers of commodities, speculative trading in commodities by commodity pools and other market participants, disruptions in commodity supply, weather and climate conditions, changes in interest rates, rates of inflation, currency devaluations and revaluations, embargoes, tariffs, regulatory developments, governmental, agricultural, trade, fiscal, monetary and exchange control programs and policies, political and other global events and global economic factors. In addition, governments from time to time intervene, directly and by regulation, in certain markets, often with the intent to influence prices directly. The effects of governmental intervention may be particularly significant at certain times in certain markets and this intervention may cause these markets to move rapidly. The Fund and the Portfolio Managers have no control over the factors that affect the price of commodities. Accordingly, the value of the Fund's investments could change substantially and in a rapid and unpredictable manner.

Energy. Markets for energy-related commodities, including, without limitation, electricity, coal, natural gas, crude oil and other petroleum products, can be susceptible to substantial price fluctuations over short periods of time and are particularly affected by political events, natural disasters, exploration and development success or failure, and technological changes. Energy-related commodities are also subject to governmental action for political reasons. In addition, significant short-term price volatility can be caused by the inability to store electricity, tariff regulation and consumer advocacy.

Agricultural Commodities. Agricultural commodities are particularly sensitive to changes in, among other things, climate, crop and livestock health, world political events, government action (including export and import restrictions and embargoes), international and regional trade contracts, labor contracts, transportation systems and crop predictions. Significant production declines and volume decreases of agricultural commodities can occur as a result of, among other things, hurricanes, weather patterns, floods, fires and other natural disasters. In addition, agricultural commodities are subject to price volatility as a result of disruptions relating to the facilities necessary to produce, transport, store and deliver the agricultural commodity. As a result, the net assets of the Fund may be affected by such factors.

Precious and Industrial Metals. Prices of precious metals (e.g., gold, silver, platinum and palladium) and industrial metals (e.g., iron and steel) are affected by factors such as cyclical economic conditions, political events, and monetary policies of various governments and countries. In addition, certain precious metals are geographically concentrated, and events in those parts of the world in which such concentration exists may affect their values. Gold and other precious metals are also subject to governmental action for political reasons. The markets for precious metals are volatile and there may be sharp fluctuations in prices even during period of rising prices.

Storage of Physical Commodities. The Fund may from time to time take physical delivery of commodities and store them for future sale. In such cases the Fund will make use of commercial storage facilities appropriate to the particular physical commodity in question. Commodities held in storage are subject to a risk of loss in the event of bankruptcy of the storage facility, or physical damage to the storage facility and its contents. Physical loss of stored commodities may be the result of insurable or uninsurable risks. We may choose not to purchase insurance for insurable risks based on our assessment of the cost of the insurance compared to the risks insured. Even if the physical commodities owned by the Fund are insured, certain events such as terrorist attacks or extreme weather events may not be covered by such insurance.

Physical Assets. Investments in physical assets, including, without limitation, oil, gas, electric power, transmission facilities and power plants, as well as traditional commodities such as wheat or sugar, are subject to risks—

destruction, loss, industry-specific regulation (e.g., pollution control regulation), operating failures, labor relations, etc.—that are not typically directly relevant to financial instrument trading. In addition, the regulation of such assets is extensive and variable, and the Fund's interests in certain of such assets could be wholly illiquid for long periods of time. Prices of physical assets are affected by factors such as global supply and demand, investors' expectations with respect to the rate of inflation, currency exchange rates, interest rates, investment and trading activities of hedge funds and commodity funds, and global or regional political, economic or financial events and situations. Markets can be volatile at times, and there may be sharp fluctuations in prices even during periods of rising prices.

Leverage; Interest Rates; Margin. The Fund typically borrows funds (and could potentially issue debt securities), and leverages its investment portfolio in order to be able to increase the amount of capital available to make investments and for use as collateral in connection with investments in derivatives. In addition, there is a significant degree of leverage typically embedded in certain derivative instruments and certain repurchase and reverse repurchase transactions in the Fund's investment portfolio. Consequently, the level of interest rates, generally, and the rates at which the Fund can borrow, in particular, will affect its operating results. Although leverage will increase investment return if a given Portfolio Manager earns a greater return on the investments purchased with borrowed funds than it pays for the use of those funds, the use of leverage will decrease the return of the Fund if the Portfolio Manager fails to earn as much on investments utilizing borrowed funds as it pays for the use of those funds. The use of leverage will in this way magnify the volatility of changes in the value of an interest in the Fund. In the event of a sudden, precipitous drop in value of the Fund's assets, the providers of leverage to the Fund may be entitled under their agreements with the Fund to liquidate the assets at then-prevailing levels, which would be depressed. There can be no certainty that the assets of the Fund would be sufficient to repay all of its debts under those or similar circumstances.

Risk of Loss. The performance of the Fund can be highly volatile. The Fund may lose capital through (i) investment losses, (ii) withdrawals of capital to fund expenses or in connection with equity withdrawals and redemptions by investors or (iii) a combination of investments losses and such withdrawals of capital. Investment losses may give rise to requests for equity withdrawals and redemptions, but withdrawals and redemptions may occur irrespective of performance, and perhaps for reasons wholly unrelated to the Fund.

Item 9 Disciplinary Information

On October 31, 2017, Millennium Management LLC (the “**Millennium Respondent**”) consented, without admitting or denying the findings therein, to the entry of an order issued by the SEC finding that on four occasions in 2012 it violated Rule 105 of Regulation M of the US Securities Exchange Act of 1934 (“**Rule 105**”). (See SEC Release No. 34-81989.) In settlement of this matter, the Millennium Respondent agreed to pay a civil money penalty of \$300,000, as well as disgorgement and prejudgment interest of \$338,709.11, and to cease and desist from committing or causing any violations and any future violations of Rule 105.

Item 10 Other Financial Industry Activities and Affiliations

Millennium Management is the general partner of Millennium Partners, L.P. (collectively, together with its subsidiaries and any successor master fund entities, the “**Master Fund**”), a Cayman Islands limited partnership. The Master Fund currently has seven direct or indirect limited partners. Millennium Management is also the investment manager or managing member, as applicable, of two of such direct or indirect limited partners, through which our Portfolio Managers (including Portfolio Managers that are Relying Advisers) are able to invest in the strategies they manage for us. Such limited partners do not bear any performance- or asset-based fees, and only bear the direct expenses related to such strategies.

In addition to Millennium Management, Millennium’s related persons that act as investment managers and management companies and manage the Master Fund’s (or its affiliates’) capital, and are also Relying Advisers, are:

MCP (Switzerland) GmbH (formerly known as Millennium Capital (Switzerland) SA), (“**MCP Switzerland**”), a company incorporated in Switzerland.

Millennium Capital Management (Australia) Pty Ltd (“**MCM Australia**”), an Australian proprietary company limited by shares, which is licensed by the Australian Securities and Investments Commission.

Millennium Capital Management (Hong Kong) Limited (“**MCM HK**”), a Hong Kong limited company, which is licensed by the Hong Kong Securities and Futures Commission.

Millennium Capital Management (Singapore) Pte. Ltd. (“**MCM Singapore**”), a Singapore private company limited by shares, which is licensed by the Monetary Authority of Singapore.

Millennium Capital Management Asia Limited, including its Tokyo Branch (“**MCM Asia**”), a Hong Kong limited company, whose Tokyo Branch is licensed by the Japanese Financial Services Authority.

Millennium Capital Partners LLP (“**MCP UK**,” and together with MCP Switzerland, MCM Australia, MCM HK, MCM Singapore and MCM Asia, the “**Foreign Advisers**”), a UK limited liability partnership, registered with the UK Financial Conduct Authority as an investment manager.

Millennium Global Estate GP LLC (“**Millennium Global Estate GP**”), a Delaware limited liability company. Millennium Global Estate GP has appointed an investment committee (the “**Investment Committee**”), which has responsibility for independently considering and evaluating, on behalf of Millennium Global Estate GP, the suitability of investments made by Millennium Global Estate on behalf of Millennium Global Estate GP. The Investment Committee is made up of certain members of Millennium’s senior management and one independent member.

Millennium International Management LP (“**Millennium International Management**”), a Delaware limited partnership.

Blue Arrow Capital Management LLC, a Delaware limited liability company.

Cannon Asset Management LLC, a Delaware limited liability company.

Catapult Capital Management LLC, a Delaware limited liability company.

Decade Capital Management LLC, a Delaware limited liability company.

Green Arrow Capital Management LLC, a Delaware limited liability company.

In addition to the foregoing entities, certain Portfolio Managers that are independent contractors may be Relying Advisers. Such Portfolio Managers may be considered related persons of Millennium, because they may be considered to be subject to Millennium’s supervision and control. Such Portfolio Managers provide investment

advice solely to the Fund and have no other clients. Millennium's control over such Portfolio Managers is established by contractually obligating such Relying Advisers to comply with Millennium's policies and procedures, including Millennium's Code of Ethics. Currently, the only Portfolio Manager that is a Relying Adviser is WorldQuant, LLC, including its Singapore affiliate, WorldQuant (Singapore) Pte. Ltd..

Additionally, the following entity, which constitutes a joint venture between Millennium Management and WorldQuant LLC (and/or one or more of its affiliates) and may sponsor and manage multiple Other Accounts (as defined in Item 11), is also a Relying Adviser:

WorldQuant Millennium Quantitative Strategies LLC

Millennium Management, Millennium International Management and Millennium Global Estate GP are registered as commodity pool operators and commodity trading advisors and certain of their management persons are registered as associated persons.

MPG Operations LLC, a wholly-owned subsidiary of Millennium International Management, is a payroll entity that employs most of our U.S.-based personnel.

Mr. Englander has a minority, passive interest in a broker-dealer, Israel A. Englander & Co., Inc. ("**Israel A. Englander & Co.**"), that is not affiliated with the Firm and that currently conducts no business with the Fund.

Mr. Englander and the other principals of our Firm and our affiliates devote to the Fund as much of their time as, in their respective judgments, is necessary or appropriate in connection with the Fund's activities. Our Firm, principals and affiliates, from time to time may, however, conduct other businesses. The conflicts related to such businesses are described in Item 11.

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

We have adopted a Code of Ethics (the “**Code**”) setting forth a standard of business conduct expected of all of our employees (including compliance with federal securities laws).

Among other things, the Code (through its reference to other policies incorporating them) sets forth policies and procedures designed to prevent insider trading and market manipulation. The Code also contains policies and procedures addressing personal trading. Employees are required to certify their compliance with the Code quarterly. We will provide our clients and prospective clients a copy of our Code upon request.

Personal Trading. As our related persons may invest in the same securities (including options, warrants, futures, etc.) as the Fund may invest in based on our and our related persons’ investment advice, potential conflicts of interest may arise. We have adopted policies and procedures relating to personal trading by all personnel—including personnel of our affiliates—which are administered by our Compliance Department. Among other things, our policies and procedures include a pre-approval requirement for personal transactions (with certain limited exceptions, including broad-based indices and mutual funds) of all personnel. These requirements may be and in certain cases, after consideration, have been waived by us. Portfolio Managers generally are not permitted to hold positions that are identical or similar to the positions held in the portfolios they manage for the Fund. Such a situation could provide an incentive for a Portfolio Manager to trade in a way that would be advantageous to him or her personally but that would not be expected to have a positive effect on (and could even be adverse to) the Fund. Consideration of such matters is a factor in our decision as to whether permission will be granted for any particular transaction. In addition, members of our management may (with prior Compliance approval) trade for their own accounts. From time to time these activities may come into conflict with our business (e.g., a member of management may hold a long position in the same security that the Fund holds short); if such a conflict were to arise, our management personnel would generally be required to subordinate the interests of any other parties (or their own interests) to the Fund, and in any event would be required to disclose the conflicts. We will endeavor to resolve any such conflicts in a manner that is fair and reasonable. Additionally, Millennium or its principal may (with prior Compliance approval) from time to time make an investment in another private fund and take an interest in such fund’s management company or have a role in the management of such fund. We will address, under the supervision of the CLEO Committee (described below), any conflicts of interest that arise from such a situation in a manner we believe to be fair and equitable under the circumstances.

Other Accounts or Activities. Although at present, our only clients are the Feeder Funds, the Master Fund and the entities through which Portfolio Managers invest (as described in Item 10), we retain the right to create, sponsor or provide investment management, administrative or other services to funds, accounts, clients or other investment structures that do not invest in, and are not for the benefit of, directly or indirectly, the Master Fund or the Feeder Funds (any such fund, account or other investment structure, an “**Other Account**”, and, collectively, “**Other Accounts**”). There are a number of potential conflicts that exist for us in providing services to Other Accounts and the Master Fund and the Feeder Funds. The nature and extent of such conflicts depend on the specific activities undertaken by Other Accounts, but could include, among other conflicts, the need to allocate common expenses and investment opportunities and other resources, and the diversion of time and attention of management, and could include competition for investment and management talent. We will attempt to resolve such conflicts by making allocations and other judgments on a basis that we believe to be fair and reasonable under the circumstances. As of the date hereof, we have established one or more related entities that constitute a joint venture with WorldQuant LLC (and/or one or more of its affiliates), an existing Portfolio Manager managing assets of the Fund and currently a Relying Adviser. The joint venture may sponsor and manage multiple Other Accounts, including products that will bear asset based management fees.

Allocation of Investment Strategies and Investments to and Among the Feeder Funds and Other Accounts; Conflicting Investment Opportunities; Cross Transactions. In addition to the Feeder Funds and certain related entities through which the Portfolio Managers invest, we may in the future establish Other Accounts that have investment programs similar to that of the Fund or that invest similarly to the Fund’s portfolio or certain of its strategies. Other Accounts do not currently, but may in the future, make certain investments in tandem with the Fund or one or more Other Accounts. A conflict would arise when allocating transaction prices and expenses where multiple entities purchase or sell the same or substantially similar investment positions. We may determine, in our discretion, that a particular investment strategy, investment opportunity, or investment with a particular Portfolio

Manager, is appropriate for one or more Other Accounts, but not for the Fund, or vice versa, in which case that investment may not be allocated to the Fund, or Other Account (or Other Accounts), as applicable. Similarly in the case of the Fund, we may elect to allocate a particular investment or opportunity to one or more Feeder Funds, but not to others, by allocating income or loss from the investment or opportunity away from the other Feeder Funds directly or at the Master Fund level. In some instances, investment strategies or investment opportunities that might have been available to and suitable for the Fund may instead be utilized for or placed with an Other Account or may be utilized or made by us, or vice versa, and there is no requirement that the Fund or any Other Account receive any preference or priority with respect to investment strategies or investment opportunities. In general, where an investment opportunity, or investment with a particular Portfolio Manager, is not allocated to the Fund or a particular Other Account, the net result will be to provide the applicable Other Accounts (and their investors) with all of the benefits (and risks) of that opportunity and, as a result, the returns realized by one Other Account may differ from those of the others. Other Accounts may also attract investors' capital away from the Fund, which may result in the Fund's having a smaller investor base, thereby increasing the proportionate share of expenses to investors in the Fund (and, therefore, investors in the Feeder Funds). While we will seek to manage potential conflicts of interest in good faith, the portfolio strategies employed by us in managing Other Accounts could conflict with the transactions and strategies employed by us in managing the Fund and may affect the prices and availability of the securities and instruments in which the Fund invests. The Fund may invest in financial instruments in which an Other Account has already invested or is expected to invest. There can be no assurance that the Other Accounts will invest on the same terms, or will invest and divest at the same time, as the Fund. In addition, the Fund and an Other Account may make separate investments in the same issuer, in which case the terms of the Fund's investment, including the type of security purchased, may be different from the terms of such Other Account's investment or the type of security that the Other Account purchases (or the level at which the investment is made in an issuer's capital structure). Conflicts could arise after an Other Account on the one hand, and the Fund on the other hand, make separate investments in the same financial instrument with respect to the manner and timing of the Fund's exit from the investment compared to such Other Account's exit. Should an Other Account invest in a different type of security from the security purchased by the Fund, additional conflicts may arise, particularly if the issuer experiences financial difficulties. There may also be certain strategies or investment sectors in which the portfolio managers of Other Accounts are already invested that, as a result, the Fund may be restricted from participating in, or vice versa, because of applicable regulatory, reporting, tax or similar requirements. In addition, Other Accounts, including the Feeder Funds, do not currently, but may in the future, invest directly in certain vehicles in which the Master Fund invests, which raises additional conflicts. The potential for such conflicts of interest to exist may be exacerbated if we receive a higher rate of compensation in respect of such investment from certain Other Accounts than others, including the Master Fund. In all cases, it is intended that participation in investment opportunities, or investments with a particular Portfolio Manager, will be allocated on a fair and equitable basis over time.

The Fund's master-feeder structure may create a conflict of interest in that different tax considerations for the Master Fund and the Feeder Funds may cause the Master Fund to structure or dispose of an investment in a manner that provides more advantageous tax treatment, or better (or worse) returns, to one or more Feeder Funds than to the other Feeder Funds. Additionally, a Feeder Fund may trade and invest part of its capital for its own account, when presented with investment opportunities appropriate for it and its investors but that are not appropriate or not optimal (for tax or other reasons) for direct or indirect investors in the Master Fund.

The Firm or its affiliates, including Mr. Englander, may, and typically do, have a disproportionate investment in one or more of the Feeder Funds and may, therefore, benefit from any benefit derived disproportionately by that Feeder Fund. The same may be true in connection with an investment in an Other Account.

Millennium may engage in a cross transaction between the Fund and Other Accounts, including, for example, in connection with the establishment of an Other Account, termination of an Other Account, or the periodic rebalancing of positions if Millennium determines that such cross transaction is fair, equitable and in the best interest of both accounts.

Other conflicts may arise in connection with the management of multiple clients. We seek to resolve conflicts on a fair and equitable basis, which in some instances might mean a resolution that would not maximize the benefit to any particular client, including the Fund.

Allocation of Expenses Among Feeder Funds, Other Accounts and/or Other Activities of Millennium. Although at

present, our only clients are the Feeder Funds, the Master Fund and the entities through which Portfolio Managers invest (as described in Item 10), we seek to allocate expenses among the Feeder Funds, Other Accounts and Millennium in a manner we consider fair and reasonable. We determine the allocation of expenses in accordance with our expense allocation policies as may be adopted from time to time. The intent of any such expense allocation policies is generally to establish a reasonable (and administratively practical) approach to allocating shared expenses among the Feeder Funds, Other Accounts and Millennium in relation activities unrelated to the Fund, if any, under the ultimate supervision of the CLEO Committee. While it is generally not possible to precisely determine the portion of a shared resource that was utilized for the benefit of a particular product or account, the methodologies utilized pursuant to any expense allocation policies are intended to establish a reasonable basis for approximating such utilization. We believe that any allocation methodologies we utilize will be reasonable under the circumstances; however, any methodologies used to determine an allocation will often necessarily involve estimates (including, for example, when determining the allocation of a particular resource across different services) and subjective judgments about the most appropriate methodology to use to allocate a particular expense and it is possible that there may be other reasonable (and potentially more precise) methods for allocating any particular items of expense, including methods that could have resulted in less (or more) expense being borne by the Feeder Funds or a particular Feeder Fund than those which have been selected. Moreover, while the allocation of expenses among the Feeder Funds is designed generally to reflect each Feeder Fund's consumption of resources, certain expenses may be specifically allocated to only certain Feeder Funds, and some expenses will be allocated pro rata among all the Feeder Funds. In some instances, the allocation of expenses to a particular activity may be based on the additional expenses resulting from that activity rather than the proportion of a resource used. Should we advise additional clients in the future, including Other Accounts, these conflicts will be present and may be exacerbated. The nature and extent of such conflicts will depend on the specific activities undertaken by Other Accounts and the fee and expense structure of Other Accounts relative to that of the Fund. The purpose of any expense allocation policies is to create, to the extent possible, a framework for the effective mitigation of such conflicts.

Portfolio Manager Investment in Own Strategies. As indicated above, certain Portfolio Managers (and related personnel) may invest in entities through which they are able to achieve the same rate of return attributable to their own strategies. Millennium believes that permitting Portfolio Managers (and related personnel) to do this is useful in aligning their interests with those of investors in the Feeder Funds; however, this could lead to potential conflicts of interest. The determination of the Portfolio Manager's capital base, and therefore rate of return, involves significant elements of subjective judgment and analysis. Additionally, the Portfolio Managers (and related personnel) bear the expenses directly related to the trading of the account they manage on behalf of the Fund, but do not bear other general Fund expenses. Therefore, the rate of return achieved by such Portfolio Managers may be higher than the rate the Fund achieves for the same strategy after taking into account such expenses.

Additional Activities. As noted in Item 9, Mr. Englander has a minority passive interest in Israel A. Englander & Co. To the extent that the Fund or a Portfolio Manager employs the services of Israel A. Englander & Co., this could constitute a conflict of interest for Mr. Englander. However, the Fund does not currently engage in any business with Israel A. Englander & Co., Inc. Millennium may from time to time manage investment vehicles that may invest in the Fund and other investment vehicles, which may include investment vehicles established for the benefit of the principals of Millennium or their family members. As noted in Item 10, we may, from time to time conduct other businesses (with prior Compliance approval), including, without limitation, the provision of investment management, administrative or other services to other funds, accounts or third parties and may expand the extent to which we provide such services to others. One of our Portfolio Managers that is a Relying Adviser makes certain private investments (with prior Compliance approval), including in entities with which we may have a business relationship or may develop a business relationship. We will address any conflicts of interest that arise from such situations in a manner we believe to be fair and equitable under the circumstances. Assets of the Firm and its affiliates, including, without limitation, intellectual property developed in connection with services provided to the Fund, may be utilized in the conduct of other business activities in the sole discretion of the Firm and its affiliates without compensation or reimbursement to the Feeder Funds, including (without limitation) reimbursement of the costs incurred in the development of such assets, but subject to the appropriate allocation of ongoing expenses in accordance with Millennium's expense allocation policies as in effect from time to time.

Ownership Influence. Persons related to or affiliated with our Firm (including Mr. Englander, senior officers, various Portfolio Managers, and other employees and consultants) hold, through a variety of direct and indirect investment channels (including deferred compensation), a relatively large portion of the Fund's capital. There are

no limitations on the ability to dispose of or transfer such interests, or otherwise modify the ownership structure of our Firm or any of our affiliated management companies, except to the extent limited by law, regulation or the terms of the applicable interests. From time to time, individuals affiliated with the Fund have in the past become aware of and purchased (and may in the future become aware of and purchase) interests in the Fund (or other entities managed by the Firm or its affiliates) that were (or are) available for transfer from other holders at prices less than net asset value because of limitations affecting the redemption or withdrawal of the interests at the time.

Leveraged Investments. The principals and senior officers of our Firm indirectly invest in, or have an interest in the returns of, the Fund through a number of channels. Some of these investments may be leveraged through the extension of credit by a third party (structured in a manner that is intended to be non-recourse to the Fund). In connection with structuring the investments, the third parties typically make an investment in a class of interests in one of the Feeder Funds that is entitled to more favorable liquidation and other rights under certain circumstances, which may increase the risk of redemptions, and result in redemptions at times when other investors in the Feeder Funds are unable to effect redemptions, if there are specified declines in the net asset value of the relevant Feeder Fund or a termination of the financial arrangement with the third party due to the occurrence of events of default. In addition, other similar structures may be formed in the future. While we believe that in substantially all situations these kinds of relationships are useful in aligning the interests of management with those of investors in the Fund, they could lead to situations in which the interests of management diverge from those of other investors.

Conflicts Related to Millennium Having Investments in Other Management Companies. Although we have not done so to date, the Firm could in the future acquire an interest in a management company formed by an independent Portfolio Manager (including one who was previously a Millennium employee or Relying Adviser) to which assets of the Fund are allocated. The interest might take various forms, such as shares or partnership interests in, or an economic interest in the revenues of, the Portfolio Manager's management company. If such a situation were to arise, we may have an economic incentive to favor such a Portfolio Manager over other Portfolio Managers. Additionally, family members of the principal or other members of senior management may be employed by the Firm or have an interest in the management company of a Portfolio Manager to which the Master Fund currently allocates capital.

Custody/Commingling of Property. Investment assets of the Fund required to be custodied are held by third party prime brokers and custodians. We do not currently commingle the investment assets of the Fund with the property of any other person, although (i) specified assets may be pooled in a side-by-side co-investment arrangement with another entity, which may include the Fund or its affiliates or of a Portfolio Manager, and (ii) the investment assets of the Fund may be commingled by those firms which act as brokers, futures commission merchants and custodians for the Fund or the Portfolio Managers.

Hedging Activities Related to Shares of Affiliated Funds Not Denominated in U.S. Dollars. One of the Feeder Funds has issued a sub-class of shares the functional currency of which is the Euro and another sub-class of shares the functional currency of which is the Yen (collectively, the “**Non-USD Shares**”), and the Feeder Funds may in the future offer other interests which have different functional currencies or reference assets. As with the Non-USD Shares, the terms of such interests may provide that the applicable Feeder Fund will seek to hedge the exposure of such interests to minimize, to the extent practicable, fluctuations in the value of such shares arising from the fluctuations in the applicable exchange rates or reference assets price relative to the U.S. dollar. Such hedging may be undertaken by the Master Fund on behalf of the applicable Feeder Fund, with the applicable Feeder Fund (and, within the Feeder Fund, the affected shares) being allocated the profits and losses, including expenses, associated with such activity. The capital of the Master Fund may be used to satisfy any margin requirements associated with hedging activities and a financing charge will be allocated to the capital account of the applicable Feeder Fund (which will, in turn, be allocated to the relevant hedged interests) at a rate based on prevailing rates charged to the Master Fund, as we determine in our sole discretion, which rates would likely be less than rates that would be available to investors in such interests if they sought to obtain financing for such activities directly. Although the Master Fund anticipates having excess cash available to satisfy margin requirements, to the extent that this changes and/or the amount of cash necessary to satisfy margin requirements increases substantially, cash that would otherwise be available for investment by the Master Fund may be used for such purposes, which could adversely impact the returns of the Master Fund. Alternatively, the applicable Feeder Fund may engage in hedging activities directly, in which case the Master Fund may advance cash to the applicable Feeder Fund in order to satisfy margin

requirements. Any such transactions will raise similar considerations to those described above.

Inter-Company Loans. Each of the Foreign Advisers is owned by Millennium International Management. The capital to establish, capitalize and maintain these entities has been loaned to Millennium International Management by the Master Fund. The loans are secured by Millennium International Management's interest in the shares of each entity. If the loans become due and payable and have not been paid, the Master Fund is authorized, among other things, to transfer the shares to itself or to sell the shares (and the assets of the relevant entity) and apply the proceeds toward the discharge of the loans. These loans have been structured in a way that seeks to ensure that Millennium International Management does not receive any additional pecuniary benefit from owning these entities. The ownership structure of these entities may change from time to time without notice. These inter-company loans in the aggregate currently represent less than 1% of the net asset value of the Fund. These inter-company loans are exclusively for the benefit of the Fund and are not for our benefit or the benefit of our respective principals or affiliates. Under the terms of the Fund's governing documents, the Fund is obligated to reimburse all costs, fees and expenses incurred in managing the assets of the Fund, including the costs, fees and expenses associated with the offices of the Foreign Advisers. As a result, these inter-company loans are an advancement of regulatory capital and expenses that would otherwise be incurred by the Fund, and do not result in any increased costs to the Fund. The Fund may enter into similarly structured inter-company loans or other similar arrangements to facilitate the Fund's investment activities, including in other jurisdictions, in the future.

Compliance, Legal and Ethics Oversight (CLEO) Committee. The CLEO Committee is responsible for reviewing Firm-wide compliance, legal and ethics issues throughout our business as they arise, and investigating (directly or indirectly) possible breaches of compliance, legal or ethical duties, rules, policies or procedures committed by any of our employees or agents or persons acting on our behalf.

Item 12 Brokerage Practices

In selecting brokers, dealers and other counterparties to effect portfolio transactions for the Fund and provide financing for the Fund's portfolio, we and our Portfolio Managers will consider such factors as they deem appropriate under the circumstances, which may include one or more of the following: the ability to obtain timely execution and deliver timely execution reports; the responsiveness to the Firm's orders; the reliability, reputation, integrity, and financial condition of the broker-dealer; the size and volume of the broker's order flow; the ability to handle difficult trades, including block trades; the ability to find liquidity in the market while also minimizing market impact; research and other services provided to the Firm that are expected to enhance the Firm's general portfolio management capabilities; the accommodation of special needs, including the broker's willingness to enter into commission sharing arrangements/give-up agreements; and commission rates, fees or market maker's commission equivalent (*i.e.*, mark-downs and mark-ups). We do not have an obligation to obtain the lowest available commission cost. Accordingly, if we determine in good faith that the commissions charged by a broker or the prices charged by a dealer are reasonable in relation to the value of the brokerage and research products or services provided by the broker or dealer, the Fund may pay commissions to the broker or prices to the dealer in an amount greater than another might charge. We have complete discretion in deciding what brokers, dealers and other counterparties the Fund will use and in negotiating the rates of compensation the Fund will pay to such brokers, dealers and other counterparties. In many instances that discretion is delegated to Portfolio Managers who make specific trading decisions.

From time to time, our personnel may be introduced to potential investors interested in investing in private funds, such as the Feeder Funds. Through such "capital introduction" events, some of which are sponsored by the Fund's prime brokers, prospective investors have the opportunity to meet with our Firm. Certain of the Fund's prime brokers (or their affiliates) may also advise private funds or clients that make investments in the Feeder Funds or may facilitate such investments in other ways. Neither our Firm nor the Fund directly compensates any prime broker for engaging in such activities. However, the events and other services (including, without limitation, capital introduction services) provided by a prime broker may influence us to some extent in selecting prime brokers and determining the extent to which a prime broker will be used.

With respect to soft dollar arrangements, the conflicts that typically give rise to concerns underlying the use of soft dollars do not generally exist for us, because the Fund (and not our Firm) bears all of the expenses related to its own operation. Therefore, our use of soft dollars does not result in any expense shifting between our Firm, on the one hand, and the Fund, on the other hand. However, the Fund's financial statements will be affected by soft dollar arrangements, as noted below.

We do, however, utilize soft dollar arrangements. Soft dollar arrangements provide an incentive to select or recommend a broker-dealer based on an interest in receiving research or other products or services, rather than on receiving most favorable execution. Soft dollar arrangements may cause the Fund to pay commissions (or markups or markdowns) higher than those charged by other broker-dealers in return for soft dollar benefits (known as paying-up). We use soft dollar benefits to service the Fund. Portfolio Managers may also benefit from the use of soft dollars. We are not required to allocate soft dollar benefits among our clients proportionately to the soft dollar credits the accounts of the clients generate. Therefore, it is theoretically possible that a client will benefit disproportionately from soft dollars relative to its contribution to the expenditure that generated them. Should we advise additional clients in the future, our clients may experience this to an even greater degree.

We have determined that the use of soft dollars will be limited to research and brokerage products and services that we believe meet the requirements of Section 28(e) of the Securities Exchange Act of 1934 ("**Section 28(e)**"), and the SEC interpretations thereof, in jurisdictions and transactions where Section 28(e) applies. This includes research and brokerage products and services paid for with soft dollars generated by the trading activity directed by our affiliated management companies (listed in Item 10). Although potentially outside the scope of Section 28(e), we have also adopted a policy to the effect that the requirements of Section 28(e) should generally be satisfied by our affiliated non-U.S. management companies (also listed in Item 10) in addition to any local requirements applicable to a particular management company with respect to the use of soft dollars.

It is our policy to generate soft dollars with commissions on securities transactions, and, in accordance with SEC interpretations, with markups, markdowns, commission equivalents or other fees paid to a dealer for executing a

transaction. In addition, to the extent consistent with applicable regulatory requirements, soft dollars may be generated through futures transactions, certain principal transactions, non-U.S. transactions, or other transactions.

Research products or services provided to the Fund may include research reports on particular industries and companies, economic surveys and analyses, recommendations as to specific securities, and relevant market data, as well as other products and services that provide assistance to us in the performance of their investment and trading decision-making responsibilities. Brokerage products or services provided to us may include message services used to transmit orders to brokers for execution, trading software used to route orders to market centers, software used to transmit orders to direct market access systems and short-term custody. Where a product or service obtained with soft dollars provides both research or brokerage and non-research or non-brokerage assistance (*i.e.*, a “mixed use” item), we will make a reasonable allocation of the cost which may be paid for with commission dollars.

A consequence of the use of soft dollar arrangements is that, under GAAP, items that would otherwise have been characterized as expense in the consolidated financial statements of the Master Fund will instead be subsumed within commissions. As a result, line-item expenses will appear smaller than they would have had soft dollars not been utilized. It is possible that some expenses paid through the utilization of soft dollar arrangements might be greater than if the Fund or the Firm had purchased the research or brokerage services in question directly or had produced them internally.

The Firm’s Brokerage Committee oversees the Firm’s use of commissions and soft dollar arrangements, and its broker-dealer and counterparty relationships. The Brokerage Committee is responsible for: (1) reviewing the reasonableness of commissions and soft dollar usage throughout the Firm, (2) assessing the quality of services obtained from broker-dealer relationships generally, (3) implementing appropriate processes, reviews and procedures and (4) making appropriate recommendations to management concerning brokerage relationships and issues.

As noted in Item 11, although not presently applicable given that the Fund is our only client, we may in the future elect to combine purchase or sale orders for securities on behalf of multiple clients, including the Fund, and allocate the securities or other assets so purchased or sold on an average price basis among the accounts or using another methodology that we consider equitable, and may engage in cross transactions between clients, including, for example, in connection with the establishment of an Other Account, termination of an Other Account or periodic rebalancing of positions among Other Accounts and the Fund.

Our clients do not direct brokerage, as currently our only client is the Fund for which we select brokers.

Item 13 Review of Accounts

We, primarily through the Portfolio Managers, manage the investment portfolio of the Fund. Generally, the Portfolio Managers are responsible for frequently reviewing the portion of the portfolio managed by them for consistency with the Firm's policies. The Portfolio Managers are responsible to the head of the department for the strategy in which the Portfolio Managers trade, either directly or indirectly. In addition, various members of our management review the Fund's portfolios and accounts on a regular basis.

Reports that we generate for our internal use and for the benefit of the Fund typically contain portfolio breakdown and performance. The reports are provided no less frequently than monthly.

Item 14 Client Referrals and Other Compensation

We generally do not receive an economic benefit from anyone other than the Feeder Funds for providing investment advice or other advisory services to the Feeder Funds, although see Item 11 regarding outside activities of the Firm and certain of its affiliates.

Millennium may and currently does compensate persons who are not its supervised persons for referrals of investors to invest in the Feeder Funds. Millennium has entered into and may in the future enter into additional agreements with registered broker-dealers or other appropriately licensed or registered (to the extent legally required) persons providing for payment of a portion of the subscription amount or ongoing payments based on a percentage of the compensation we earn from the Feeder Funds that are attributable to the interests of an investor in the Feeder Fund introduced by the persons. The fees may be paid by a Millennium management company (and not the Feeder Funds).

Item 15 Custody

This is not applicable to us.

Item 16 Investment Discretion

We have discretionary authority to manage securities accounts on behalf of the Fund. This authority is established through a limited partnership agreement, an investment management agreement, or other contract. There are no substantive limits on our discretionary authority.

Item 17 Voting Client Securities

Millennium has authority to vote client securities. As a general matter, Millennium does not vote proxies as most of the Fund's securities purchases are for trading rather than investing and the Fund is not typically a long-term holder who will be affected by the matters being voted on. However, Millennium will vote client securities on behalf of the Fund upon the request of a Portfolio Manager who has discretion over the relevant securities, provided that the CLEO Committee (or its designee) determines that the requested vote is in the Fund's best interests and approves the requested vote. Any conflicts, including where two or more Portfolio Managers may seek permission to vote a proxy but have differing views concerning how the proxy should be voted are considered and resolved, as appropriate, by the CLEO Committee. Clients may obtain information from us about how we voted their securities by contacting us at (212) 841-4100. Clients may obtain a copy of our proxy voting policies and procedures upon request.

Item 18 Financial Information

We are not aware of any financial condition that is reasonably likely to impair our ability to meet contractual commitments to the Fund, and have not been the subject of a bankruptcy petition at any time during the past 10 years.

Item 19 Requirements for State Registered Advisers

This is not applicable to us.