

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



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**This brochure provides information about the qualifications and business practices of GMT Capital Corp. (“GMT”). If you have any questions about the contents of this brochure, please contact George E. Case, III at (770) 989-8250 or by email at [ncase@gmtcapital.com](mailto:ncase@gmtcapital.com). The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission (the “SEC”) or by any state securities authority.**

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

**GMT is registered as an investment adviser with the SEC under the U.S. Investment Advisers Act of 1940, as amended (the “Advisers Act”). SEC registration does not imply a certain level of skill or training.**

## ITEM 2 – MATERIAL CHANGES

If you are amending your *brochure* for your annual update and it contains material changes from your last annual update, identify and discuss those changes on the cover page of the *brochure* or on the page immediately following the cover page, or as a separate document accompanying the *brochure*. You must state clearly that you are discussing only material changes since the last annual update of your *brochure*, and you must provide the date of the last annual update of your *brochure*.

On February 14, 2012, GMT submitted its first Brochure in connection with its registration as an investment adviser with the SEC. It should be noted that GMT has submitted other-than-annual amendments to the Brochure to reflect the addition of branch offices located in Hong Kong and Denver, Colorado and GMT Capital NY Research Corp, an affiliated office located in New York, NY.

In the future, when we amend the Brochure for our annual update, and the amended version contains material changes from the last annual update, we will identify and discuss those changes either on this page or as a separate document accompanying the Brochure. For documentation purposes, we will always provide the date of the last annual update of the Brochure.

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## ITEM 4 – ADVISORY BUSINESS

<p><b>Item 4.A</b></p>	<p>Describe your advisory firm, including how long you have been in business. Identify your principal owner(s).</p> <p>GMT Capital Corp. (“GMT”), a Georgia corporation, is an investment advisory firm that was founded in 1993. GMT currently provides discretionary investment advisory services, including, but not limited to, managing and directing the investment and reinvestment of assets for the following private investment funds:</p> <ul style="list-style-type: none"> <li>○ Bay Resource Partners L.P., a Delaware limited partnership (“Bay I”);</li> <li>○ Bay II Resource Partners L.P., a Delaware limited partnership (“Bay II”); and,</li> <li>○ Bay Resource Partners Offshore Fund, Ltd., a Cayman Islands exempted company (the “Offshore Feeder Fund”), which feeds substantially all of its assets into Bay Resource Partners Offshore Master Fund, L.P., a Cayman Islands limited partnership (the “Offshore Master Fund”, and together with the Offshore Feeder Fund, the “Offshore Fund”).</li> </ul> <p>Each of Bay I, Bay II and the Offshore Fund may be referred to individually in this Brochure as a “Fund” and together as the “Funds.” The terms for each Fund are disclosed in detail in that Fund’s offering documents that are provided to prospective investors prior to investment.</p> <p>GMT acts as the general partner for each of Bay I and Bay II. An affiliate of GMT, GMT Capital Offshore Management, LLC, a Georgia limited liability company (the “Investment Manager”), acts as the investment manager of the Offshore Feeder Fund and the general partner of the Offshore Master Fund. GMT also currently provides discretionary investment advisory services to certain separately managed accounts (the “Managed Accounts,” and together with the Funds, the “Advisory Clients”).</p> <p>GMT’s offices are located in Atlanta, Georgia with a branch office in Hong Kong and in Denver, Colorado. Affiliates of GMT, GMT Capital Research, LLP and GMT Capital NY Research Corp, conduct investment research for GMT out of their offices in London, England and New York, NY, respectively.</p> <p>The principal owner of GMT is Thomas E. Claugus.</p>
<p><b>Item 4.B</b></p>	<p>Describe the types of advisory services you offer. If you hold yourself out as specializing in a particular type of advisory service, such as financial planning, quantitative analysis, or market timing, explain the nature of that service in greater detail. If you provide investment advice only with respect to limited types of investments, explain the type of investment advice you offer, and disclose that your advice is limited to those types of investments.</p> <p>GMT provides discretionary investment advisory services to its Advisory Clients, which are private investment vehicles and separately managed accounts, by managing and directing the investment and reinvestment of their assets. As further described in Item 8.A below, GMT is a long-term, value based investment adviser with a long/short equity focus. GMT generally invests a majority of the assets of the Advisory Clients in long and short positions in common and</p>

	<p>preferred stocks, common and preferred stock derivatives, commodity and commodity-linked securities and futures contracts, and may also invest in private equity investments, bonds or other credit investments, real estate, or other asset classes both within the U.S. and outside the U.S. Although GMT's investment advice is generally limited to these types of investments, it has a broad and flexible investment authority.</p>
<b>Item 4.C</b>	<p>Explain whether (and, if so, how) you tailor your advisory services to the individual needs of <i>clients</i>. Explain whether <i>clients</i> may impose restrictions on investing in certain securities or types of securities.</p> <p>GMT neither tailors its advisory services to the individual needs of investors nor accepts investor-imposed investment restrictions with respect to the Funds. When deemed appropriate for a large or strategic investor, GMT has and may again, in the future, establish a Managed Account that will tailor its investment objectives to those of the specific investor (including restrictions on investing in certain types of securities) and/or be subject to different terms and/or fees than those of the Funds. Such investment objectives, terms and fee arrangements are individually negotiated, and it should be noted that any such Managed Account relationships are generally subject to significant account minimums.</p>
<b>Item 4.D</b>	<p>If you participate in <i>wrap fee programs</i> by providing portfolio management services, (1) describe the differences, if any, between how you manage wrap fee accounts and how you manage other accounts, and (2) explain that you receive a portion of the wrap fee for your services.</p> <p>GMT does not participate in wrap fee programs.</p>
<b>Item 4.E</b>	<p>If you manage <i>client</i> assets, disclose the amount of <i>client</i> assets you manage on a <i>discretionary basis</i> and the amount of <i>client</i> assets you manage on a <i>non-discretionary basis</i>. Disclose the date "as of" which you calculated the amounts.</p> <p>As of April 30, 2012, GMT (including the Investment Manager) has approximately \$5,980,442,000 of regulatory assets under management on a discretionary basis. GMT does not manage any assets on a non-discretionary basis.</p>

## ITEM 5 – FEES AND COMPENSATION

<b>Item 5.A</b>	<p>Describe how you are compensated for your advisory services. Provide your fee schedule. Disclose whether the fees are negotiable.</p> <p>GMT is compensated for its advisory services to the Funds in the form of an asset-based management fee (the “Management Fee”) and a performance-based incentive allocation (the “Incentive Allocation”).</p> <p><u>Management Fee</u></p> <p>GMT receives Management Fees totaling 0.375% (1.5% per annum) of the net asset value of each of Bay I and Bay II at the beginning of each fiscal quarter to compensate GMT, in part, for operating expenses and certain administrative and advisory services provided to Bay I and Bay II; provided that, as to the net asset value attributable to any investor, GMT, in its absolute discretion, may waive its right to all or any part of such Management Fees. The Management Fee is calculated on the first day of each fiscal quarter and is payable in advance. This fee shall be taken into account in determining net income and losses of Bay I and Bay II, as relevant, and any waiver of Management Fees with respect to an investor shall be reflected in the allocation of net income or losses to such investor.</p> <p>The Offshore Fund pays the Investment Manager the quarterly Management Fee in an amount equal to 0.375% of the net asset value of each outstanding series of shares (and any outstanding series of Class S shares) in advance at the beginning of each calendar quarter. In the event of a mid-quarter investment under which the Investment Manager is not acting as such for an entire quarter, then the Management Fee payable by the Offshore Fund for such quarter will be prorated to reflect the portion of such quarter in which the Investment Manager is acting as such. A pro rata portion of the Management Fee is also paid from any subscription payment made with respect to shares purchased during a calendar quarter. No portion of the Management Fee will be refunded with regards to shares redeemed during a calendar quarter and the Management Fee is calculated prior to accrual for Incentive Allocations.</p> <p><u>Incentive Allocation</u></p> <p>The net income or net losses of each of Bay I and Bay II (which includes unrealized gains and losses on securities) for each fiscal year are allocated among the respective investors, including GMT, in proportion to their respective capital accounts. Such allocations are adjusted so that for each fiscal year GMT is allocated 20% of the net profits preliminarily allocated to each investor to the extent such net profits exceed cumulative unrecovered net losses, if any, allocated to such investor for all prior fiscal years; provided that, as to any investor, GMT, in its absolute discretion, may waive its right to all or any part of such Incentive Allocation.</p> <p>The Offshore Fund makes an Incentive Allocation to the Investment Manager as general partner equal to 20% of the net capital appreciation (both realized and unrealized) in excess of any loss carry forward attributable to each series of shares and any associated series of Class S shares during each calendar year, or such</p>
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	<p>shorter period during any calendar year that the respective shares are outstanding, with a corresponding reduction in the net asset value per share or Class S share of that series. In addition, Incentive Allocations are generally made with respect to shares redeemed during a calendar year.</p> <p><b>It is critical that investors refer to the relevant Fund’s offering documents for a complete understanding of how GMT is compensated for its advisory services. The information contained in this Item 5 is a summary only and is qualified in its entirety by the relevant Fund’s offering documents.</b></p>
<b>Item 5.B</b>	<p>Describe whether you deduct fees from <i>clients’</i> assets or bill <i>clients</i> for fees incurred. If <i>clients</i> may select either method, disclose this fact. Explain how often you bill <i>clients</i> or deduct your fees.</p> <p>GMT deducts fees from Fund assets. As described in Item 5.A above, GMT deducts the Management Fee and Incentive Allocation, as applicable, from Fund assets on a quarterly and annual basis, respectively.</p> <p><b>It is critical that investors refer to the relevant Fund’s offering documents for a complete understanding of how GMT is compensated for its advisory services. The information contained in this Item 5 is a summary only and is qualified in its entirety by the relevant Fund’s offering documents.</b></p>
<b>Item 5.C</b>	<p>Describe any other types of fees or expenses <i>clients</i> may pay in connection with your advisory services, such as custodian fees or mutual fund expenses. Disclose that <i>clients</i> will incur brokerage and other transaction costs, and direct <i>clients</i> to the section(s) of your <i>brochure</i> that discuss brokerage.</p> <p>Bay I and Bay II pay their own operating expenses including, but not limited to, interest on their margin accounts, legal and outside accounting fees, third party administrator costs, printing costs, insurance costs, borrowing charges for securities sold short, custodial fees, brokerage commissions, clearing and settlement charges, bank service fees, interest on loans and debit balances and any other reasonable expenses related to the purchase, sale or transfer of the assets of Bay I and Bay II.</p> <p>Similarly, all operating expenses of the Offshore Fund are borne by the Offshore Fund. These expenses include the Management Fee and the fees of the administrator; brokerage commissions on securities transactions for the Offshore Fund; interest and commitment fees on loans and debit balances; withholding taxes, transfer taxes and other governmental charges and duties; fees of the Offshore Fund’s directors, legal advisors and independent auditors; the costs of maintaining registered agents; and the costs of printing and distributing offering materials, fees of attorneys and accountants with respect to the offering of shares and any reports and notices to investors or prospective investors.</p> <p>GMT is authorized to but does not currently cause the Funds to pay certain expenses, other brokerage commissions, that it or the Funds would otherwise bear through “soft dollar” arrangements with securities broker-dealers used by the Funds in executing and clearing Fund securities transactions. Refer to Item 12 for further information.</p>
<b>Item 5.D</b>	<p>If your <i>clients</i> either may or must pay your fees in advance, disclose this fact. Explain how a <i>client</i> may obtain a refund of a pre-paid fee if the advisory contract is terminated before the end of the billing period. Explain how you will determine the amount of the refund.</p>

	As described in Item 5.B above, investors in the Funds generally pay Management Fees in advance. For mid-quarter investments, the Management Fee would be prorated for any period that is less than a full quarter.
<b>Item 5.E</b>	If you or any of your <i>supervised persons</i> accepts compensation for the sale of securities or other investment products, including asset-based sales charges or service fees from the sale of mutual funds, disclose this fact and respond to Items 5.E.1, 5.E.2, 5.E.3 and 5.E.4.  Not applicable
<b>Item 5.E.1</b>	Explain that this practice presents a conflict of interest and gives you or your <i>supervised persons</i> an incentive to recommend investment products based on the compensation received, rather than on a <i>client's</i> needs. Describe generally how you address conflicts that arise, including your procedures for disclosing the conflicts to <i>clients</i> . If you primarily recommend mutual funds, disclose whether you will recommend “no-load” funds.  Not applicable
<b>Item 5.E.2</b>	Explain that <i>clients</i> have the option to purchase investment products that you recommend through other brokers or agents that are not affiliated with you.  Not applicable
<b>Item 5.E.3</b>	If more than 50% of your revenue from Funds results from commissions and other compensation for the sale of investment products you recommend to your <i>clients</i> , including asset-based distribution fees from the sale of mutual funds, disclose that commissions provide your primary or, if applicable, your exclusive compensation.  Not applicable
<b>Item 5.E.4</b>	If you charge Management Fees in addition to commissions or markups, disclose whether you reduce your Management Fees to offset the commissions or markups.  Not applicable



## ITEM 6 - PERFORMANCE-BASED FEES AND SIDE-BY-SIDE MANAGEMENT

If you or any of your *supervised persons* accepts *performance-based fees* – that is, fees based on a share of capital gains on or capital appreciation of the assets of a *client* (such as a *client* that is a hedge fund or other pooled investment vehicle) – disclose this fact. If you or any of your *supervised persons* manage both accounts that are charged a *performance-based fee* and accounts that are charged another type of fee, such as an hourly or flat fee or an asset-based fee, disclose this fact. Explain the conflicts of interest that you or your *supervised persons* face by managing these accounts at the same time, including that you or your *supervised persons* have an incentive to favor accounts for which you or your *supervised persons* receive a *performance-based fee*, and describe generally how you address these conflicts.

As described in Item 5.B above, the General Partner and the Investment Manager may receive an Incentive Allocation, which is performance-based. It should be noted that the possibility that GMT or the Investment Manager could receive performance-based compensation creates a potential conflict of interest in that it may create an incentive for GMT to effectuate larger and more risky transactions than would be the case in the absence of such form of compensation.

GMT presently provides investment advisory services to the Funds and the Managed Accounts, which provide GMT with compensation using substantially similar compensation structures. As such, there is currently no material potential conflict of interest related to managing accounts that provide GMT with higher performance-based compensation alongside accounts that may provide GMT with lower performance-based compensation.

To align manager and investor interests, Thomas Clausus, the principal owner of GMT, has a substantial majority of his personal net worth invested in the Funds through his interest in GMT.

## ITEM 7 – TYPES OF CLIENTS

Describe the types of *clients* to whom you generally provide investment advice, such as individuals, trusts, investment companies, or pension plans. If you have any requirements for opening or maintaining an account, such as a minimum account size, disclose the requirements.

GMT's clients are the Funds and Managed Accounts.

The minimum subscription per investor in Bay I and Bay II is \$1,000,000, which minimum may be waived, subject to certain limitations, by GMT, in its absolute discretion. Existing investors may contribute additional capital to Bay I and Bay II in the amount of \$10,000 or integral multiples thereof. Lesser amounts may be accepted subject to the approval of GMT.

The minimum initial investment in the Offshore Fund is \$500,000. An Offshore Fund investor may make subsequent additional investments in the minimum amount of \$50,000. Investments may be made in any amount in excess of such minimums. The Offshore Fund may, in its sole discretion, waive either minimum in a particular case or with respect to all investors at any time, but in no event may the initial investment be reduced below \$50,000.

It should be noted that any Managed Account relationships are individually negotiated but generally subject to significant account minimums.

## ITEM 8 – METHODS OF ANALYSIS, INVESTMENT STRATEGIES AND RISK OF LOSS

<b>Item 8.A</b>	<p>Describe the methods of analysis and investment strategies you use in formulating investment advice or managing assets. Explain that investing in securities involves risk of loss that <i>clients</i> should be prepared to bear.</p> <p>Bay I, Bay II and the Offshore Fund have substantially similar investment strategies and are expected to continue investing substantially in parallel with one another. The following investment objectives and general strategies are currently employed by GMT in the management of each of the Funds. Managed Accounts may follow the same or different investment strategies.</p> <p><u>Objective and General Investment Approach</u></p> <p>The investment objective of GMT to generate attractive returns for its investors with managed risk. In attempting to accomplish this objective, the Funds have in the past or may in the future invest in long and short positions in common and preferred stocks, common and preferred stock derivatives, commodity and commodity-linked securities and futures contracts, and may also invest in private equity investments, and bonds or other credit investments, real estate and or other asset classes both within the U.S. and outside the U.S. In addition, GMT anticipates that the investment portfolio of the Funds may include at any given time options, hedged positions, including but not limited to combinations of common and preferred stock, common stock and bonds, common stock and options, option spreads or inter-market spreads, and index, commodity, bond or currency options and futures contracts utilized to hedge part or all of the portfolio of investments of the Funds. There are no limitations as to the investments or asset types in which the Funds may invest.</p> <p>GMT believes that such a portfolio of investments should have the potential to generate attractive rates of return with managed risk. There can be no assurance, however, that GMT will actually allocate Fund resources in the manner anticipated, that GMT will be successful in selecting profitable long or short positions, or that the portfolio of such investments will achieve the Funds' investment objectives. Further, GMT may change, in its absolute discretion, the investment objective and policies of the Funds and there can be no assurance that GMT will not exercise such power.</p> <p><u>Short/Long Allocations</u></p> <p>GMT anticipates that the assets of the Funds will be allocated between short and long positions based on the assessment of GMT of the price level in the relevant stock markets, its macroeconomic view and the availability of attractive investments. Within the overall asset allocation, GMT anticipates that individual investments will be selected based on fundamental analysis of investment opportunities. There can be no assurance that GMT will correctly assess the price level in the relevant stock markets, that its macroeconomic view will prove to be correct or that the investments selected, either individually or in the aggregate, will be profitable.</p>
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	<p><u>Cash Positions</u></p> <p>GMT may cause the Funds to assume positions in short-term debt instruments, money market funds or similar temporary investments pending full investment of the Funds' capital as well as at other times deemed appropriate by GMT, such as for defensive purposes. It is not an investment goal of the Funds to be fully invested at all times.</p> <p><u>Relationship with Portfolio Companies and Investment Restrictions</u></p> <p>In the event the assets invested in the Funds grow sufficiently large in size, GMT may seek to take stock positions in companies that would enable GMT to exert influence on, or perhaps obtain operating control over, such companies. If such a situation were to arise, GMT intends, given the operating experience of Mr. Claugus, to exert influence or control to attempt to enhance the return on the investments of the Funds over the long term. There can be no assurance that such a situation will arise, that GMT will be successful in asserting influence or operating control or that, if successful in asserting influence or operating control, GMT will be successful in enhancing the rate of return of the Funds. There are no limitations on the amount of money which the Fund may invest in any single security; however, GMT currently intends to invest no more than 15% of the assets of each Fund in the stock of any one company.</p> <p><u>Futures and Commodities</u></p> <p>The Funds may invest in futures contracts and options thereon and other commodity interest positions without GMT or GMT being required to register as a Commodity Pool Operator or Commodity Trading Advisor with the Commodity Futures Trading Commission ("CFTC") as the result of an exemption established by the CFTC. That exemption requires that the aggregate notional value of the Funds' commodity interest and futures positions not exceed the liquidation value of the Funds' portfolios or that the aggregate initial margin and premiums required to establish commodity interest and futures positions, determined at the time the most recent position was established, do not exceed five percent of the liquidation value of the Funds' portfolios, both after taking into account unrealized profits and unrealized losses on any such positions it has entered into.</p> <p><u>Side Pocket Investments</u></p> <p>The Funds may also invest directly in illiquid "side pocket investments." That term refers to existing or new Fund investments in securities designated by GMT in its discretion that are part of a class of securities that is not registered under section 12 of the Securities Exchange Act of 1934, as amended, that are "restricted" as defined in Rule 144 promulgated under the Securities Act, as to which recent sale price or bid and ask quotations are not available, that are otherwise restricted or not readily susceptible of accurate valuation, or that GMT otherwise determine should be held until the occurrence of certain events or for an extended period of time. Such investments could include various private placements, debt instruments, venture capital transactions and similar opportunistic investments. Any side pocket investments will be made with the participation of only those investors who are members of the relevant Fund at the time the investment is made or designated and have previously opted to be eligible for side pocket investments.</p>
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	<p><u>Co-Investment and Potential Variations</u></p> <p>The Funds are expected to invest substantially in parallel with one another. However, any Fund may make investments that the others do not, or may have more or less short exposure or employ more or less leverage than the other Funds, and the results of the Funds may vary.</p> <p><b>The Funds have broad and flexible investment authority. GMT may have other investment strategies or methods of analysis, or engage in other activities, than those described herein. It is critical that investors refer to the relevant Fund’s offering documents for a complete understanding of that Funds’ investment objectives and strategies. The information contained in this Item 8 is a summary only and is qualified in its entirety by the relevant Fund’s offering documents.</b></p> <p><b>An investment in the Funds may be deemed speculative and is not intended as a complete investment program. The Funds are designed only for experienced and sophisticated persons who are able to bear the risk of substantial impairment or total loss of their investment in the Funds.</b></p>
<p><b>Item 8.B</b></p>	<p>For each significant investment strategy or method of analysis you use, explain the material risks involved. If the method of analysis or strategy involves significant or unusual risks, discuss these risks in detail. If your primary strategy involves frequent trading of securities, explain how frequent trading can affect investment performance, particularly through increased brokerage and other transaction costs and taxes.</p> <p><i>Overall Investment Risk.</i> All securities investments risk the loss of all invested capital. While volatility, in the judgment of GMT, may enhance investment opportunity, it often increases market risk. Many unforeseeable events, including legislative and regulatory changes and domestic and international economic and political developments, may cause sharp market fluctuations (whether generally or in particular industries or issuers), which could adversely affect the Funds. While GMT will devote its best efforts to the management of the Funds’ portfolios, there can be no assurance that the Funds will not incur losses. Where the Funds utilize derivative instruments, assets deposited as margin will be held by the custodian for the Funds’ assets, and such assets may be available to third party creditors of such custodian in the event of the bankruptcy or insolvency of the latter. Assets of the Funds deposited as collateral with counter parties may be available to third party creditors of such counter parties.</p> <p><i>Market Risks.</i> The Funds will invest substantially all of their available capital (other than capital GMT determines to retain in cash or cash equivalents) in securities and short sales of securities. While most of these instruments are expected to be traded in public markets, markets for such instruments in general are subject to fluctuations and the market value of any particular investment may be subject to substantial variation. Some securities in which the Funds invest may be thinly traded or may cease to be traded after the Funds invest in them. In addition to being illiquid, some securities may be issued by unseasoned companies and may be highly speculative. No assurance can be given that the Funds’ investment portfolio will generate any income or appreciate in value.</p>

	<p><i>Lack of Diversification.</i> GMT may limit the number of Fund positions, which will reduce the Funds' diversification and expose the Funds to greater risk of loss if one or a few investments lose substantial value.</p> <p><i>Investment Selection.</i> GMT will select investments for the Funds on the basis of information and data filed by the issuers of securities with various government regulators or made directly available to GMT by the issuers of securities or through sources other than the issuers. Although GMT will evaluate all such information and data and seeks independent corroboration when GMT considers it appropriate and when it is reasonably available, GMT is not in a position to confirm the completeness, genuineness or accuracy of such information and data.</p> <p><i>Error Correction.</i> GMT will maintain a record of all trading errors that occur in connection with investment activities of the Funds. Trading errors made by GMT, whether the error results in a gain or loss, will be recorded in a trade error ledger in the name of GMT or the Investment Manager. If at the end of a fiscal quarter, the cumulative losses and gains associated with such trading errors for the quarter would result in a net loss and such net loss has not been removed from or otherwise reimbursed to the relevant Fund (and unless the net loss for such quarter is offset by net gain associated with trade errors for the Fund carried forward from a previous quarter), then GMT will compensate that Fund in an amount equal to the net loss for the fiscal quarter in question. Any positive balance in the error account at the end of a fiscal quarter will be carried forward in that Fund.</p> <p><i>Short Sales.</i> The Funds will engage in short sales, hedging, option trading, leverage and other strategies from time to time. A short sale involves the sale of a security that is not owned in the expectation of purchasing the same security (or a security exchangeable therefor) at a later date at a lower price. To make delivery to the buyer, one must borrow the security, and is obligated to return the security to the lender, which is accomplished by a later purchase of the security by such individual. When the Funds make a short sale in the United States, they must leave the proceeds thereof with the broker and they must also deposit with the broker an amount of cash or U.S. Government or other securities sufficient under current margin regulations to collateralize the obligation to replace the borrowed securities that have been sold. If short sales are affected on a foreign exchange, such transactions will be governed by local law. A short sale involves the risk of a theoretically unlimited increase in the market price of the security. Furthermore, if GMT has sold short the securities offered in an exchange offer or merger and has purchased the securities of the target company, the Funds are exposed to the risk that, if the transaction is not consummated, they may suffer losses with respect to both its long and its short positions. The extent to which the Funds will engage in short sales depends upon GMT's investment strategies and perception of market direction; GMT has no policy limiting the amount of capital it may deposit to collateralize its obligation to replace borrowed securities sold short.</p> <p><i>Use of Leverage.</i> The Funds may, in the sole discretion of GMT, leverage their investment positions by borrowing funds from securities broker-dealers, banks or others. Such leverage increases both the possibilities for profit and the risk of loss. Borrowings will typically be secured by the Funds' securities and other assets. Under certain circumstances, such a lender may demand an increase in the</p>
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	<p>collateral that secures the Funds' obligations and if the Funds were unable to provide additional collateral, the lender could liquidate assets held in the account to satisfy the Funds' obligations. Liquidation in that manner could have extremely adverse consequences. In addition, the amount of the Funds' borrowings and the interest rates on those borrowings, which will fluctuate, may have an effect on the Funds' profitability.</p> <p>When the Funds purchase an option in the United States, there is no margin requirement because the option premium is paid for in full. The premiums for certain options traded on foreign exchanges may be paid for on margin. When GMT sells an option on a futures contract, it may be required to deposit margin in an amount that may be determined by the margin requirement established for the futures contract underlying the option and, in addition, an amount substantially equal to the current premium for the option. The margin requirements imposed on the writing of options, although adjusted to reflect the probability that out-of-the-money options will not be exercised, can in fact be higher than those imposed in dealing in the futures markets directly. Whether any margin deposit will be required for over-the-counter options will depend on the credit determinations and agreement of the parties to the transaction.</p> <p><i>Economic Conditions.</i> Changes in economic conditions, including, for example, interest rates and inflation rates, industry conditions, government regulation, competition, technological developments, political and diplomatic events and trends, tax laws and innumerable other factors, can affect substantially and adversely the business and prospects of the Fund. None of these conditions is within the control of GMT.</p> <p><i>Limited Liquidity of Investments.</i> Shares of securities in which the Funds will invest directly may be thinly traded and relatively illiquid or may cease to be traded after the Funds invest. The Funds may also acquire significant positions in some securities. In such cases, and in the event of extreme market activity, the Funds may not be able to promptly liquidate its investments if the need should arise. In addition, the Funds' sales of thinly-traded securities could depress the market value of such securities and thereby reduce the Funds' profitability or increase its losses. Such circumstances or events could affect materially and adversely the amount of gain or loss the Funds may realize.</p> <p><b>Please refer to the offering documents of the Funds for a detailed description of the material risks related in an investment in the Funds.</b></p>
<b>Item 8.C</b>	<p>If you recommend primarily a particular type of security, explain the material risks involved. If the type of security involves significant or unusual risks, discuss these risks in detail.</p> <p><i>Certain Derivative Instruments.</i> The Funds have and may in the future purchase and sell ("write") options on equities on national and international securities exchanges and in the domestic and international over-the-counter market. The seller ("writer") of a put option which is covered (e.g., the writer has a short position in the underlying security) assumes the risk of an increase in the market price of the underlying security above the sales price (in establishing the short position) of the underlying security, plus the premium received, and gives up the opportunity for gain on the underlying security below the exercise price of the option. If the seller of the put option owns a put option covering an equivalent number of shares with an exercise price equal to or greater than the exercise price</p>

	<p>of the put written, the position is "fully hedged" if the option owned expires at the same time or later than the option written. The seller of an uncovered put option assumes the risk of a decline in the market price of the underlying security below the exercise price of the option. The buyer of a put option assumes the risk of losing its entire investment in the put option. If the buyer of the put holds the underlying security, the loss on the put will be offset in whole or in part by any gain on the underlying security.</p> <p>The writer of a call option which is covered (e.g., the writer holds the underlying security) assumes the risk of a decline in the market price of the underlying security below the value of the underlying security less the premium received, and gives up the opportunity for gain on the underlying security above the exercise price of the option. The seller of an uncovered call option assumes the risk of a theoretically unlimited increase in the market price of the underlying security above the exercise price of the option. The buyer of a call option assumes the risk of losing its entire investment in the call option. If the buyer of the call sells short the underlying security, the loss on the call will be offset, in whole or in part, by any gain on the short sale of the underlying security.</p> <p>Options may be cash settled, settled by physical delivery or by entering into a closing purchase transaction. In entering into a closing purchase transaction, the Funds may be subject to the risk of loss to the extent that the premium paid for entering into such closing purchase transaction exceeds the premium received when the option was written.</p> <p>Swaps and certain options and other custom instruments are subject to the risk of non-performance by the swap counterparty, including risks relating to the financial soundness and creditworthiness of the swap counterparty.</p> <p><i>Restricted Securities.</i> The Funds may invest in securities that are not traded in public markets and securities that are "restricted" securities for purposes of U.S. federal and state securities laws, but in most instances only where contractual rights may facilitate the transfer of such securities. Nevertheless, restricted securities generally are difficult or impossible to sell at prices comparable to the market prices of similar securities that are publicly traded. No assurance can be given that any such restricted securities will be eligible to be traded on a public market even if a public market for securities of the same class were to develop. It is highly speculative as to whether and when an issuer will be able to register its securities so that they become eligible for trading in public markets.</p> <p><i>Futures Trading.</i> There is a significant amount of risk involved in trading futures contracts and options thereon. No assurance can be made that profits will be achieved or that substantial losses will not be incurred. Below are several of the factors that potential investors should consider when evaluating an investment in the Funds.</p> <ol style="list-style-type: none"> <li>1. Futures Trading is Speculative and Volatile. Futures contract prices are highly volatile. Prices of commodity interests are affected by a wide variety of complex and hard to predict factors such as political and economic events and the prevailing psychological characteristics of the marketplace.</li> <li>2. Futures Trading is Highly Leveraged. The low margin deposits normally required in futures trading (typically between 2% and 25% of the value of</li> </ol>
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	<p>the contract) permit an extremely high degree of leverage. Accordingly, a relatively small price movement in a contract may result in immediate and substantial losses to the investor. Like other leveraged investments, any trade may result in losses in excess of the amount invested.</p> <ol style="list-style-type: none"> <li>3. Futures Trading May be Illiquid. It is not always possible to initiate or close a position at the desired price due to market conditions or price fluctuations. For example, when the market price of a futures contract reaches its daily price limit, no trades beyond the limit can be executed. Daily price limits are established by the exchanges and approved by the CFTC. The holder of a futures contract may therefore be locked into an adverse price movement for several days or more and may lose considerably more than the initial margin paid to establish the position. Furthermore, it may be difficult to execute positions in thinly traded markets or markets which lack sufficient liquidity. As a result, no assurances can be made that orders will be executed at or near the desired price.</li> <li>4. Counterparty Creditworthiness. The Fund could be unable to recover assets held at the future commission merchant ("FCM") in the event of bankruptcy or insolvency or if the FCM fails to properly segregate customer funds as required by the Commodity Exchange Act.</li> <li>5. Options on Futures. The Funds may trade options on futures. Options are speculative in nature and are highly leveraged. The purchaser of an option risks losing the entire purchase price of the option. The seller (writer) of an option risks losing the difference between the premium received for the option and the price of the underlying futures contract that the writer must purchase upon exercise of the option. This could subject the writer to unlimited risk in the event of an increase in the price of the contract to be purchased or delivered.</li> <li>6. Foreign Futures and Options. The Funds may engage in trading on non-United States exchanges and contract markets. Trading on such exchanges involves certain risks not applicable to trading on United States exchanges and is frequently less regulated. For example, some exchanges may not provide the same assurances of the integrity of the marketplace and its participants as U.S. exchanges.</li> </ol> <p>In addition, some non-U.S. exchanges are "principals' markets" in which performance is the responsibility of the individual with whom the trader has dealt; it is not the responsibility of the exchange or a clearing association. Finally, trading on foreign exchanges is subject to the risk of changes in the exchange rate between the United States dollar and the currencies in which the contracts are settled.</p> <p><i>Missing Unregistered Shares and Indemnification.</i> In October 2004, the Funds and GMT each executed an indemnification agreement to Travelers Insurance Company as surety under a lost instrument bond purchased in favor of the transfer agent of a formerly private company (the "Portfolio Company") in which the Funds had invested, thereby providing for the replacement of certain missing stock certificates (the "Certificates"). The Funds had purchased common shares of the Portfolio Company pursuant to unregistered private placements in 2001 and 2003. The legended Certificates representing restricted Portfolio Company shares were held in the offices of GMT in Atlanta, Georgia. The Certificates were determined missing when, in anticipation of the Portfolio Company's initial public offering in February 2004, GMT sought to exchange the original legended</p>
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	<p>Certificates for certificates not bearing restrictive legends. In November 2004, upon purchase of the bond and execution of the indemnification agreement by the Funds, replacement unlegended certificates were issued to the Funds.</p> <p>GMT believes the potential for any future loss related to the missing Certificates is very low and, as a result, the Funds have not reserved for any potential related loss in its financial statements. To incur a loss, a missing Certificate would have to be fraudulently executed with forged signatures, then sold or pledged for value to a legitimate so called “Good Faith Purchaser”, and then presented by such Good Faith Purchaser to the transfer agent for transfer into their name. Premium charges for purchase of the bond and insurance coverage were paid by the Funds and assessed to partners of record at February 28, 2004, including GMT, based on their February 28, 2004 Fund account balances. In the unlikely event the missing certificates are presented for value by a third party purchaser that files suit against the Portfolio Company's transfer agent claiming to be a Good Faith Purchaser, and should the Partnership not be able to prove such purchaser is not a legitimate Good Faith Purchaser, then the Funds would be liable under the indemnification agreement for an amount up to the then market value of the Certificates presented. As of the last date the shares were publicly traded, the market value of the Certificates represented between approximately 0.2% and 3.2% of the equity of each Fund as of July 1, 2011.</p> <p><b>Please refer to the offering documents of the Funds for a detailed description of the material risks related in an investment in the Funds.</b></p>
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## ITEM 9 – DISCIPLINARY INFORMATION

If there are legal or disciplinary events that are material to a *client's* or prospective *client's* evaluation of your advisory business or the integrity of your management, disclose all material facts regarding those events.

Items 9.A, 9.B, and 9.C list specific legal and disciplinary events presumed to be material for this Item. If your advisory firm or a *management person* has been *involved* in one of these events, you must disclose it under this Item for ten years following the date of the event, unless (1) the event was resolved in your or the *management person's* favor, or was reversed, suspended or vacated, or (2) you have rebutted the presumption of materiality to determine that the event is not material (see Note below). For purposes of calculating this ten-year period, the “date” of an event is the date that the final *order*, judgment, or decree was entered, or the date that any rights of appeal from preliminary *orders*, judgments or decrees lapsed.

Items 9.A, 9.B, and 9.C do not contain an exclusive list of material disciplinary events. If your advisory firm or a *management person* has been *involved* in a legal or disciplinary event that is not listed in Items 9.A, 9.B, or 9.C, but nonetheless is material to a *client's* or prospective *client's* evaluation of your advisory business or the integrity of its management, you must disclose the event. Similarly, even if more than ten years have passed since the date of the event, you must disclose the event if it is so serious that it remains material to a *client's* or prospective *client's* evaluation.

<b>Item 9.A</b>	<p>A criminal or civil action in a domestic, foreign or military court of competent jurisdiction in which your firm or a <i>management person</i></p> <ol style="list-style-type: none"> <li>1. was convicted of, or pled guilty or nolo contendere (“no contest”) to (a) any <i>felony</i>; (b) a <i>misdemeanor</i> that <i>involved</i> investments or an <i>investment-related</i> business, fraud, false statements or omissions, wrongful taking of property, bribery, perjury, forgery, counterfeiting, or extortion; or (c) a conspiracy to commit any of these offenses;</li> <li>2. is the named subject of a pending criminal <i>proceeding</i> that involves an <i>investment-related</i> business, fraud, false statements or omissions, wrongful taking of property, bribery, perjury, forgery, counterfeiting, extortion, or a conspiracy to commit any of these offenses;</li> <li>3. was <i>found</i> to have been <i>involved</i> in a violation of an <i>investment-related</i> statute or regulation; or</li> <li>4. was the subject of any <i>order</i>, judgment, or decree permanently or temporarily enjoining, or otherwise limiting, your firm or a <i>management person</i> from engaging in any <i>investment-related</i> activity, or from violating any <i>investment-related</i> statute, rule, or <i>order</i></li> </ol> <p><a href="#">Not applicable.</a></p>
<b>Item 9.B</b>	<p>An administrative <i>proceeding</i> before the SEC, any other federal regulatory agency, any state regulatory agency, or any <i>foreign financial regulatory authority</i> in which your firm or a <i>management person</i></p> <ol style="list-style-type: none"> <li>1. was <i>found</i> to have caused an <i>investment-related</i> business to lose its authorization to do business; or</li> <li>2. was <i>found</i> to have been <i>involved</i> in a violation of an <i>investment-related</i></li> </ol>

	<p>statute or regulation and was the subject of an <i>order</i> by the agency or authority</p> <ul style="list-style-type: none"> <li>(a) denying, suspending, or revoking the authorization of your firm or a <i>management person</i> to act in an <i>investment-related</i> business;</li> <li>(b) barring or suspending your firm's or a <i>management person's</i> association with an <i>investment-related</i> business;</li> <li>(c) otherwise significantly limiting your firm's or a <i>management person's investment-related</i> activities; or</li> <li>(d) imposing a civil money penalty of more than \$2,500 on your firm or a <i>management person</i>.</li> </ul> <p>Not applicable.</p>
<b>Item 9.C</b>	<p>A self-regulatory organization (SRO) proceeding in which your firm or a management person</p> <ul style="list-style-type: none"> <li>1. was <i>found</i> to have caused an <i>investment-related</i> business to lose its authorization to do business; or</li> <li>2. was <i>found</i> to have been <i>involved</i> in a violation of the <i>SRO's</i> rules and was: (i) barred or suspended from membership or from association with other members, or was expelled from membership; (ii) otherwise significantly limited from <i>investment-related</i> activities; or (iii) fined more than \$2,500.</li> </ul> <p>Not applicable.</p>

## ITEM 10 – OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS

<b>Item 10.A</b>	<p>If you or any of your <i>management persons</i> are registered, or have an application pending to register, as a broker-dealer or a registered representative of a broker-dealer, disclose this fact.</p> <p><a href="#">Not applicable.</a></p>
<b>Item 10.B</b>	<p>If you or any of your <i>management persons</i> are registered, or have an application pending to register, as a futures commission merchant, commodity pool operator, a commodity trading advisor, or an associated person of the foregoing entities, disclose this fact.</p> <p><a href="#">Not applicable.</a></p>
<b>Item 10.C</b>	<p>Describe any relationship or arrangement that is material to your advisory business or to your <i>clients</i> that you or any of your <i>management persons</i> have with any <i>related person</i> listed below. Identify the <i>related person</i> and if the relationship or arrangement creates a material conflict of interest with <i>clients</i>, describe the nature of the conflict and how you address it.</p> <ol style="list-style-type: none"> <li>1. broker-dealer, municipal securities dealer, or government securities dealer or broker</li> <li>2. investment company or other pooled investment vehicle (including a mutual fund, closed-end investment company, unit investment trust, private investment company or “hedge fund,” and offshore fund)</li> <li>3. other investment adviser or financial planner</li> <li>4. futures commission merchant, commodity pool operator, or commodity trading advisor</li> <li>5. banking or thrift institution</li> <li>6. accountant or accounting firm</li> <li>7. lawyer or law firm</li> <li>8. insurance company or agency</li> <li>9. pension consultant</li> <li>10. real estate broker or dealer</li> <li>11. sponsor or syndicator of limited partnerships</li> </ol> <p><a href="#">GMT acts as the general partner for each of Bay I and Bay II. The Investment Manager, an affiliate of GMT, acts as the investment manager of the Offshore Feeder Fund and the general partner of the Offshore Master Fund.</a></p> <p><a href="#">Thomas Claugus, who is the President, majority shareholder and sole director of GMT, is also the President and a large shareholder of GMT Exploration LLC, an oil and gas exploration company. Mr. Claugus is also the President and sole shareholder of GMT International, LLC, which was founded to pursue the acquisition of hard assets outside the United States. GMT Exploration is also an Advisory Client and, at the direction of Mr. Claugus, may participate along with the other Advisory Clients in the investments made by GMT for the Advisory Clients. Additionally, Mr. Claugus became a Director of Paramount Resources Ltd. (“Paramount”), a Canadian oil and natural gas exploration, development and production company with operations focused in western Canada in May 2010. The Advisory Clients are currently invested in Paramount. Mr. Claugus’ work</a></p>

	<p>with these oil and gas exploration companies provides significant investment research and data and is instrumental in supporting the Advisory Clients' energy investing activities.</p> <p>It should also be noted that the Funds maintain a private investment in a banking institution, and a GMT employee acts as a director on the bank's board.</p> <p>GMT and its management persons have no other relationships or arrangements with any of the related persons listed above that are material to GMT's advisory business or its clients.</p>
<b>Item 10.D</b>	<p>If you recommend or select other investment advisers for your <i>clients</i> and you receive compensation directly or indirectly from those advisers that creates a material conflict of interest, or if you have other business relationships with those advisers that create a material conflict of interest, describe these practices and discuss the material conflicts of interest these practices create and how you address them.</p> <p>Not applicable.</p>

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

<p><b>Item 11.A</b></p>	<p>If you are an SEC-registered adviser, briefly describe your code of ethics adopted pursuant to SEC rule 204A-1 or similar state rules. Explain that you will provide a copy of your code of ethics to any <i>client</i> or prospective <i>client</i> upon request.</p> <p>GMT believes that high ethical standards are essential to its success and to maintain the confidence of its investors. GMT is of the view that its long-term business interests are best served by adherence to the principle that Advisory Client interests come first. GMT recognizes that certain potential conflicts of interests may arise in connection with the personal trading activities of individuals associated with GMT.</p> <p>GMT has adopted a Code of Ethics, which is a part of GMT’s compliance manual and has been designed to comply with the requirements of Advisers Act Rule 204A-1. Among other things, the Code of Ethics (i) requires that all employees comply with federal securities laws, (ii) requires that all employees submit to GMT reports containing their personal securities holdings and transactions in reportable securities, and that GMT review such reports, (iii) requires all employees to obtain pre-approval of all transactions in reportable securities (with certain exceptions for spousal accounts), (iv) generally limits personal trading to pre-approved trading days, and (v) contains policies and procedures designed to prevent the misuse of material, non-public information. All personnel of GMT are required to certify their compliance with the Code of Ethics.</p> <p>Clients or prospective clients may arrange a time to review GMT’s Code of Ethics at its offices in Atlanta, Georgia by contacting the Chief Compliance Officer, Ned Case, at (770) 989-8250.</p>
<p><b>Item 11.B</b></p>	<p>If you or a <i>related person</i> recommends to <i>clients</i>, or buys or sells for <i>client</i> accounts, securities in which you or a <i>related person</i> has a material financial interest, describe your practice and discuss the conflicts of interest it presents. Describe generally how you address conflicts that arise.</p> <p>As explained in Item 10.C above, GMT acts as the general partner for each of Bay I and Bay II. The Investment Manager, an affiliate of GMT, acts as the investment manager of the Offshore Feeder Fund and the general partner of the Offshore Master Fund.</p> <p>GMT and its employees, affiliates or related persons may be invested in the Funds, either directly or through GMT’s and/or Investment Manager’s investments in the Funds. The fact that GMT, the Investment Manager and their employees, affiliates or related persons may also invest directly in any one, some or all of the Funds creates a potential conflict in that it could cause GMT to make different investment decisions than if they did not have such a financial ownership interest. Further, GMT and the Investment Manager charge the Funds fees based on a percentage of assets under management via the Management Fee and performance via the Incentive Allocation. The Management Fee is payable without regard to the overall success or income earned by the Funds and therefore may create an incentive on the part of GMT to raise or otherwise increase assets under management to a higher level than would be the case if GMT were</p>

	receiving a lower or no Management Fee. The receipt of an Incentive Allocation may create an incentive for GMT to make investments that are riskier or more speculative than it otherwise would.
<b>Item 11.C</b>	<p>If you or a <i>related person</i> invests in the same securities (or related securities, <i>e.g.</i>, warrants, options or futures) that you or a <i>related person</i> recommends to <i>clients</i>, describe your practice and discuss the conflicts of interest this presents and generally how you address the conflicts that arise in connection with personal trading.</p> <p>GMT finds material value to its advisory clients of having its employees aligned with the interest of its Advisor Clients and to support that benefit GMT and its employees, affiliates or related persons may buy, sell or otherwise invest in securities for their own accounts that they also recommend to the Funds. Each such related person transaction is separately identified and made strictly in accordance with GMT's Code of Ethics. In order to manage this conflict of interest, GMT's Code of Ethics requires related persons of GMT to obtain prior approval from the Chief Compliance Officer or his designee before engaging in any transaction in reportable securities, with certain exceptions for spousal accounts. Such employee transactions are not allowed if there is an open order in the same security for the benefit of an Advisory Client until such open order is completed or cancelled. Such transactions will be reviewed in the best interests of the Funds and will be denied by the Chief Compliance Officer if there is a risk of potential material adverse consequences to the Funds.</p>
<b>Item 11.D</b>	<p>If you or a <i>related person</i> recommends securities to <i>clients</i>, or buys or sells securities for <i>client</i> accounts, at or about the same time that you or a <i>related person</i> buys or sells the same securities for your own (or the <i>related person's</i> own) account, describe your practice and discuss the conflicts of interest it presents. Describe generally how you address conflicts that arise.</p> <p>Please see Item 11.C above.</p>



## ITEM 12 – BROKERAGE PRACTICES

<b>Item 12.A.1</b>	<p>Describe the factors that you consider in selecting or recommending broker-dealers for <i>client</i> transactions and determining the reasonableness of their compensation (e.g., commissions).</p> <p><u>Research and Other Soft Dollar Benefits.</u> If you receive research or other products or services other than execution from a broker-dealer or a third party in connection with client securities transactions (“soft dollar benefits”), disclose your practices and discuss the conflicts of interest they create.</p> <ol style="list-style-type: none"> <li>a. Explain that when you use <i>client</i> brokerage commissions (or markups or markdowns) to obtain research or other products or services, you receive a benefit because you do not have to produce or pay for the research, products or services.</li> <li>b. Disclose that you may have an incentive to select or recommend a broker-dealer based on your interest in receiving the research or other products or services, rather than on your <i>clients’</i> interest in receiving most favorable execution.</li> <li>c. If you may cause <i>clients</i> 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), disclose this fact.</li> <li>d. Disclose whether you use soft dollar benefits to service all of your <i>clients’</i> accounts or only those that paid for the benefits. Disclose whether you seek to allocate soft dollar benefits to <i>client</i> accounts proportionately to the soft dollar credits the accounts generate.</li> <li>e. Describe the types of products and services you or any of your <i>related persons</i> acquired with <i>client</i> brokerage commissions (or markups or markdowns) within your last fiscal year.</li> <li>f. Explain the procedures you used during your last fiscal year to direct <i>client</i> transactions to a particular broker-dealer in return for soft dollar benefits you received.</li> </ol> <p>The Advisory Clients pay and allocate brokerage commissions and fees to registered securities broker-dealers for executing and clearing transactions on behalf of the Advisory Clients on an agency and net basis and for performing other services for the Advisory Clients and GMT, and enter into securities transactions with securities dealers on a principal basis. GMT has complete discretion to determine the broker-dealers with and through whom Advisory Client securities portfolio transactions are effected, the prices at which principal transactions are effected and the commission rates and other fees paid by the Advisory Clients. Brokerage fees paid by the Advisory Clients vary and may be greater than those typical for similar investment funds if GMT has determined that the research, execution and other operating support services of a particular broker-dealer or prime broker, including investor recommendations and services rendered</p>
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	<p>or items paid for pursuant to soft dollar arrangements (as discussed below), merit greater than typical fees. GMT may cause the Advisory Clients to purchase over-the-counter securities other than through market makers in those securities and is not obligated to seek the lowest transaction charge except to the extent that this contributes to the overall goal of obtaining the best results for the Advisory Clients. GMT is not required to solicit competitive bids or seek the lowest available commission cost. GMT does not negotiate "execution only" commission rates, and Advisory Client may be deemed to be paying for research and equipment provided by the broker and not used exclusively for the Advisory Client's benefit, with payment for such research and equipment included in the commissions paid to the broker by the Advisory Client or the profit made by a securities dealer. Any of these arrangements may benefit GMT or one or more of its affiliates without any direct benefit to the Advisory Clients. GMT believes, however, that such allocations of portfolio transaction business and arrangements generally enhance the Advisory Clients' ability to obtain research, stock loan services, regulatory and compliance support, allocations of new issue securities and optimal execution, as well as other indirect benefits to the Advisory Clients.</p> <p>All securities transactions for Advisory Clients are executed by or with broker-dealers selected by GMT on the basis of obtaining the best overall terms available, which it evaluates based on a variety of factors including the following: the ability to achieve prompt and reliable execution at favorable prices; the operational efficiency with which transactions are effected; the reputation, financial strength, integrity and stability of the firm, as confirmed in part through the duration and scope of the firm's relationship with GMT and its affiliates and related persons; the quality, comprehensiveness and frequency of available research and related services considered to be of value; and the competitiveness of commission rates in comparison with other firms satisfying its other selection criteria.</p> <p>GMT is authorized on behalf of the Advisory Clients to enter into "soft dollar" arrangements with securities dealers and brokerage firms from time to time. All "soft dollar" benefits are eligible research or brokerage services under Section 28(e) of the Securities Exchange Act of 1934.</p>
<b>Item 12.A.2</b>	<p><u>Brokerage for <i>Client</i> Referrals.</u> If you consider, in selecting or recommending broker-dealers, whether you or a <i>related person</i> receives <i>client</i> referrals from a broker-dealer or third party, disclose this practice and discuss the conflicts of interest it creates.</p> <ol style="list-style-type: none"> <li>a. Disclose that you may have an incentive to select or recommend a broker-dealer based on your interest in receiving <i>client</i> referrals, rather than on your <i>clients'</i> interest in receiving most favorable execution.</li> <li>b. Explain the procedures you used during your last fiscal year to direct <i>client</i> transactions to a particular broker-dealer in return for <i>client</i> referrals.</li> </ol> <p>Subject to offering competitive commission rates and satisfying its other selection criteria, GMT also prefers broker-dealers and prime brokerage arrangements that recommend prospective investors for investment in the Funds or prospective Managed Account clients. As outlined in Item 12.A.1 above, GMT recognizes its duty to obtain "best execution" in effecting transactions on behalf of its Advisory Clients.</p>

Item 12.A.3	<p><u>Directed Brokerage.</u></p> <ol style="list-style-type: none"> <li>a. If you routinely <u>recommend</u>, <u>request</u> or <u>require</u> that a <i>client</i> direct you to execute transactions through a specified broker-dealer, describe your practice or policy. Explain that not all advisers require their <i>clients</i> to direct brokerage. If you and the broker-dealer are affiliates or have another economic relationship that creates a material conflict of interest, describe the relationship and discuss the conflicts of interest it presents. Explain that by directing brokerage you may be unable to achieve most favorable execution of <i>client</i> transactions, and that this practice may cost <i>clients</i> more money.</li> <li>b. If you <u>permit</u> a <i>client</i> to direct brokerage, describe your practice. If applicable, explain that you may be unable to achieve most favorable execution of <i>client</i> transactions. Explain that directing brokerage may cost <i>clients</i> more money. For example, in a directed brokerage account, the <i>client</i> may pay higher brokerage commissions because you may not be able to aggregate orders to reduce transaction costs, or the <i>client</i> may receive less favorable prices.</li> </ol> <p><u>Not applicable.</u></p>
Item 12.B	<p>Discuss whether and under what conditions you aggregate the purchase or sale of securities for various <i>client</i> accounts. If you do not aggregate orders when you have the opportunity to do so, explain your practice and describe the costs to <i>clients</i> of not aggregating.</p> <p>When trading in a particular security, purchase and sale orders for any Advisory Client may also, in the discretion of GMT, be combined or "bunched" with orders for other Advisory Client and for its own account, with each Fund receiving an average price for jointly purchased or sold securities and paying its pro rata share of total commissions and trading costs. In some cases, a Fund may have obtained more favorable pricing or borne lower brokerage commission expense if it had traded independently. Nevertheless, GMT generally causes the Funds to pay consistent and competitive commission rates within a stipulated, negotiated range notwithstanding the factors considered in selecting a particular broker-dealer to effect transactions. GMT may also determine in the future to establish or acquire an interest in a securities brokerage firm that would execute Fund securities transactions.</p> <p>GMT has adopted procedures to promote fair and equitable allocation of trades among the accounts it manages. Trades will generally be allocated on the basis of relative asset size of each participating Advisory Client with certain adjustments as deemed appropriate by GMT, such as (i) the extent to which the order specifies a priority allocation to one or more accounts; (ii) the extent to which an allocation would be too small to justify processing or custodial charges associated with the transaction; (iii) the extent to which an account may be under invested or over invested with respect to a particular security, industry, sector or the total portfolio in general, in comparison to other accounts in the order; and (iv) the availability of, or need for, cash. The Chief Compliance Officer and GMT management periodically review and revise these policies to ensure that they represent GMT's current practices and are in conformity with all applicable laws and regulations. Upon request, the Chief Compliance Officer will provide a prospective investor or an investor with a summary of GMT's current aggregation and allocation policies.</p>

## ITEM 13 – REVIEW OF ACCOUNTS

<b>Item 13.A</b>	<p>Indicate whether you periodically review <i>client</i> accounts or financial plans. If you do, describe the frequency and nature of the review, and the titles of the <i>supervised persons</i> who conduct the review.</p> <p>At the end of each trading day, Advisory Client trades are uploaded daily by the trader from the Eze system to the prime brokers. Transaction exception reports (from prime broker reporting websites) are reviewed by GMT's operations team with trade breaks corrected also by the operations team. Cash and position reconciliations are performed on a daily basis. Separately, the firm's administrator reviews and accounts for all transactions by the funds, such record to be reviewed and approved by GMT. Tom Claugus, the senior portfolio manager, reviews trading activity for the week at week end through a custom weekly portfolio report.</p> <p>Further, Ned Case, the Chief Compliance Officer, periodically reviews GMT's investments to ensure consistency with applicable law and regulations.</p>
<b>Item 13.B</b>	<p>If you review <i>client</i> accounts on other than a periodic basis, describe the factors that trigger a review</p> <p>See Item 13.A above.</p>
<b>Item 13.C</b>	<p>Describe the content and indicate the frequency of regular reports you provide to <i>clients</i> regarding their accounts. State whether these reports are written.</p> <p>GMT provides investors with unaudited statements of the relevant Advisory Client's performance on a monthly basis and audited financial statements annually. All such reports are written.</p> <p>In addition, a monthly letter plus a summary fund profile data sheet are e-mailed within five business days after month end and are also posted to the firm's website at that time. Additionally GMT holds a quarterly conference call with the head portfolio manager and selected senior management for investors. GMT hosts an Annual Investors Meeting in the spring each year.</p> <p>It should be noted that GMT has, and may again in the future, entered into a letter agreements with a certain investor to provide more frequent portfolio reporting in exchange for reduced liquidity.</p> <p>GMT will also respond to individual due diligence requests from its Fund investors or Managed Account holders.</p>

## ITEM 14 – CLIENT REFERRALS AND OTHER COMPENSATION

<b>Item 14.A</b>	<p>If someone who is not a <i>client</i> provides an economic benefit to you for providing investment advice or other advisory services to your <i>clients</i>, generally describe the arrangement, explain the conflicts of interest, and describe how you address the conflicts of interest. For purposes of this Item, economic benefits include any sales awards or other prizes.</p> <p>Not applicable.</p>
<b>Item 14.B</b>	<p>If you or a <i>related person</i> directly or indirectly compensates any <i>person</i> who is not your <i>supervised person</i> for <i>client</i> referrals, describe the arrangement and the compensation.</p> <p>GMT does not currently use solicitors but, in the future, may enter into written arrangements with third parties to act as solicitors for GMT's investment advisory business. All such compensation is fully disclosed to each client consistent with applicable law. All such referral activities are conducted in accordance with SEC Rule 206(4)-3 under the Advisers Act as well as relevant SEC guidance. In general, third party solicitors may receive a portion of the fees otherwise payable to GMT.</p>

## ITEM 15 – CUSTODY

If you have *custody* of *client* funds or securities and a qualified custodian sends quarterly, or more frequent, account statements directly to your *clients*, explain that *clients* will receive account statements from the broker-dealer, bank or other qualified custodian and that *clients* should carefully review those statements. If your *clients* also receive account statements from you, your explanation must include a statement urging *clients* to compare the account statements they receive from the qualified custodian with those they receive from you.

With respect to Bay I and Bay II, GMT is deemed to have custody of their assets by virtue of its status as general partner. With respect to the Offshore Fund, the Investment Manager is deemed to have custody of its assets by virtue of its status as investment manager of the Offshore Feeder Fund and general partner of the Offshore Master Fund. The qualified custodians presently utilized by GMT for the Funds are:

Deutsche Bank Securities Inc.  
Global Markets  
60 Wall Street,  
New York, NY 10005-2836

Deutsche Bank AG  
1 Great Winchester Street  
London EC2N 2DB  
United Kingdom

Goldman Sachs & Company  
200 West Street, 3<sup>rd</sup> Floor  
New York, NY 10282

UBS Securities LLC  
Prime Client Service  
1285 Avenue of the Americas  
New York, NY 10019

UBS AG  
1 Finsbury Avenue  
London EC2M 2AN  
United Kingdom

Fidelity  
220 Seaport Boulevard, Z2H  
Boston, MA 02210

JP Morgan Chase Bank  
PO Box 659754  
San Antonio, TX 78265-9754

To ensure compliance with Rule 206(4)-2 under the Advisers Act, GMT reasonably believes that all investors in the Funds will be provided with audited financial statements, prepared by an independent accounting firm that is registered with and subject to review by the Public Company Accounting Oversight Board, in accordance with U.S. Generally Accepted Accounting Principles, within 120 days, of

the end of the Funds' fiscal years. Investors should carefully review the audited financial statements of the Funds upon receipt. GMT may use additional qualified custodians in the future.

## **ITEM 16 – INVESTMENT DISCRETION**

If you accept discretionary authority to manage securities accounts on behalf of clients, disclose this fact and describe any limitations clients may (or customarily do) place on this authority. Describe the procedures you follow before you assume this authority (e.g., execution of a power of attorney).

GMT and the Investment Manager have discretionary authority to manage the investments of the Advisory Clients. As explained in Item 4.C above, individual investors in the Funds do not have the ability to impose limitations on GMT's discretionary authority. Prospective Fund investors are provided with an offering memorandum prior to their investment and are encouraged to carefully review the offering memorandum, along with all other relevant offering documents, and to be sure that the proposed investment is consistent with their investment goals and tolerance for risk. Prospective Fund investors must also execute a subscription agreement and, in the case of Bay I and Bay II, a limited partnership agreement, each of which constitutes a legal, valid and binding obligation of the investor, enforceable in accordance with their respective terms. GMT's investment discretion over Managed Accounts may be limited by specific investment restrictions contained in the Managed Account agreements.

In addition, GMT's investment discretion for its Advisory Clients is generally expected with the bounds of an established research and due diligence process and a disciplined trading process which provides certain limits (which may be modified based on risk management requirements) on the pace and frequency of trading which GMT believes accrue to the benefit of its Advisory Clients.



## ITEM 17 – VOTING CLIENT SECURITIES

<p><b>Item 17.A</b></p>	<p>If you have, or will accept, authority to vote <i>client</i> securities, briefly describe your voting policies and procedures, including those adopted pursuant to SEC rule 206(4)-6. Describe whether (and, if so, how) your <i>clients</i> can direct your vote in a particular solicitation. Describe how you address conflicts of interest between you and your <i>clients</i> with respect to voting their securities. Describe how <i>clients</i> may obtain information from you about how you voted their securities. Explain to <i>clients</i> that they may obtain a copy of your proxy voting policies and procedures upon request.</p> <p>GMT understands and appreciates the importance of proxy voting and ensuring that its proxy voting procedures are clearly described to investors. To the extent that GMT receives proxies on behalf of its Advisory Clients, GMT's policy is not to vote any proxies related to (i) securities in which an Advisory Client is short; (ii) securities that are less than 5% of an Advisory Client's portfolio; (iii) securities in which GMT's Advisory Clients own, in the aggregate, less than 5% of the outstanding shares, or (iv) situations where the outcome is not deemed by GMT to be materially beneficial or detrimental to an Advisory Client. GMT is of the view that reallocating resources from the research and portfolio management process to addressing issues related to such proxies is not in the best interests of Advisory Clients.</p> <p>GMT will vote any other proxies it receives in the best interests of the Advisory Clients and investors. Prior to voting any proxies, GMT's Chief Compliance Officer or his designee will identify any potential conflicts of interest related to the proxy in question. If a conflict is identified, the Chief Compliance Officer will then decide (which may be in consultation with outside legal counsel or third party compliance consultants) as to whether the conflict is material or not. If no material conflict is identified, the Chief Compliance Officer or his designee will make a decision on how to vote the proxy in question. Although not presently intended to be used on a regular basis, GMT may retain an independent third party to vote proxies in certain situations (including situations where a material conflict of interest is identified).</p> <p>Please let us know if you have any questions about, or would like to be provided with a copy of, our proxy voting procedures. Also, please let us know if you would like detailed information about how any proxies were actually voted by calling the Chief Compliance Officer, Ned Case, at (770) 989-8250.</p>
<p><b>Item 17.B</b></p>	<p>If you do not have authority to vote <i>client</i> securities, disclose this fact. Explain whether <i>clients</i> will receive their proxies or other solicitations directly from their custodian or a transfer agent or from you, and discuss whether (and, if so, how) <i>clients</i> can contact you with questions about a particular solicitation.</p> <p>Not applicable.</p>

## ITEM 18 – FINANCIAL INFORMATION

<b>Item 18.A</b>	<p>If you require or solicit prepayment of more than \$1,200 in fees per <i>client</i>, six months or more in advance, include a balance sheet for your most recent fiscal year.</p> <ol style="list-style-type: none"> <li>1. The balance sheet must be prepared in accordance with generally accepted accounting principles, audited by an independent public accountant, and accompanied by a note stating the principles used to prepare it, the basis of securities included, and any other explanations required for clarity.</li> <li>2. Show parenthetically the market or fair value of securities included at cost.</li> <li>3. Qualifications of the independent public accountant and any accompanying independent public accountant's report must conform to Article 2 of SEC Regulation S-X.</li> </ol> <p><a href="#">Not applicable.</a></p>
<b>Item 18.B</b>	<p>If you have <i>discretionary authority</i> or <i>custody</i> of <i>client</i> funds or securities, or you require or solicit prepayment of more than \$1,200 in fees per <i>client</i>, six months or more in advance, disclose any financial condition that is reasonably likely to impair your ability to meet contractual commitments to <i>clients</i>.</p> <p><a href="#">GMT is not currently aware of any financial condition that is reasonably likely to impair its ability to meet contractual commitments to clients.</a></p>
<b>Item 18.C</b>	<p>If you have been the subject of a bankruptcy petition at any time during the past ten years, disclose this fact, the date the petition was first brought, and the current status.</p> <p><a href="#">Not applicable.</a></p>