

STILLWATER

Part 2A of Form ADV Brochure Document

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This Form ADV Part 2A (the “Brochure”) provides information about the qualifications and business practices of Stillwater Investment Management, L.P (“Stillwater”). If you have any questions about the contents of this brochure, please contact us at (650) 437-0630. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission (“SEC”) or by any state securities authority.

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

Registration as a registered investment adviser pursuant to the Investment Advisers Act of 1940, as amended, (the “*Advisers Act*”) does not imply any level of skill or training.

This document is not an advertisement for the advisory services of Stillwater nor an offer to sell or the solicitation of an offer to purchase interests in any fund managed by Stillwater.

Material Changes

This section of the Brochure addresses only “material changes” that have been incorporated since the last update on December 27, 2016.

There have been no material changes made to our Brochure since the last update.

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Item 4. Advisory Business

Stillwater Investment Management, L.P. (“Stillwater” or the “Adviser”) was formed in December 2014 and began operations as an investment adviser in June 2015. Stillwater, a Delaware limited partnership, is primarily owned and controlled by Adam Weiss. The Adviser’s principal place of business is located in Palo Alto, California.

Stillwater provides investment management services to privately offered pooled investment vehicles exempt from registration under the Investment Company Act of 1940, as amended, organized by Stillwater or its affiliates (the “Funds”). Stillwater may, in the future, organize additional investment vehicles or manage separately managed accounts that follow an investment program similar to or different from the investment program of the Funds. The Adviser is a sponsor to a Cayman Islands exempted company, Stillwater Offshore Fund, Ltd. (the “Offshore Fund”), and a Delaware limited partnership, Stillwater Onshore Fund, (the “Onshore Fund”) (collectively the “Feeders” or “Feeder Funds”) which invest all their assets in a Cayman Islands exempted limited partnership, Stillwater Master Fund, L.P. (the “Master Fund”).

Stillwater manages the Funds in a manner consistent with the investment strategy described in the Funds’ offering documents. Stillwater bears primary responsibility for making investment decisions for the Funds and developing investment strategies consistent with the investment objectives, policies and restrictions applicable to the Funds. Investment advice is provided directly to the Funds, subject to the discretion and control of the General Partner or the board of directors of each Fund, as applicable.

As of December 31, 2016, Stillwater’s assets under management were approximately \$320,396,219, all of which are managed on a discretionary basis.

Item 5. Fees and Compensation

Management Fees

Stillwater receives from the Master Fund a management fee equal to 0.375% (1.5% annual rate) of the Master Fund’s net asset value of each series of Investments. The management fee is calculated at the beginning of each calendar quarter. If an investor purchases Feeder Fund Investments on a date other than the first day of a calendar quarter, Stillwater will prorate the management fee for those Investments. Management fees paid through the Master Fund are ultimately allocated to the Onshore Fund’s or the Offshore Fund’s investors based on their Investments in the Feeder Funds (or the balances in those sub-accounts). It should be noted that management fees will be subject to specific decreases once assets exceed \$1 billion. Further details are provided in the Feeder Funds’ Offering Memoranda dated March 2016.

In its discretion, the Adviser may waive or reduce management fees for certain investors, including employees and affiliates of Stillwater. The Adviser waives the management fee for its own capital, as well as its affiliates, employees or owners and their family members and entities and estate planning vehicles established for the benefit of the foregoing. Stillwater does not currently

expect to waive or reduce the management fee for any other investors.

Incentive Allocations

Each Investment in a Feeder Fund is subject to an incentive allocation (allocated to the General Partner) equal up to 20% of any net profits, which include both realized and unrealized gains and losses. The Master Fund makes incentive allocations annually at the end of the year and upon redemption by an investor. The allocation is subject to a “high water mark” provision. An incentive allocation can only be made if and to the extent the increase in the account balance for the applicable period exceeds the “loss carry forward” amount associated with the account at the beginning of the period. These incentive allocations are ultimately determined by the Offshore Fund’s or the Onshore Fund’s net increases in the value of those sub-accounts.

Investors in Series B Investments pay a reduced incentive allocation rate at 15% of any net profits. In exchange for this reduced rate, Series B Investments are subject to a “hard lock” for two years before the first redemption, which is limited to 25% of an investor’s Series B ownerships. At the end of the hard lock, the investor can redeem up to 25% of its Series B ownership in one quarter during the third year of the investment. At the end of first three years, the investor may (a) re-lock its Series B holdings; (b) convert all of its remaining Series B holding to Series A; or (c) liquidate all of its Series B holding.

In its discretion, the Adviser may waive or reduce incentive allocations for certain investors, including employees and affiliates of Stillwater. The Adviser waives the incentive allocations for its own capital, as well as its affiliates, employees or owners and their family members and entities and estate planning vehicles established for the benefit of the foregoing. Stillwater does not currently expect to waive or reduce the incentive allocations for any other investors.

Other Expenses

Each Feeder Fund bears all expenses incidental to its organizational and ongoing operation, including, but not limited to:

- brokerage commissions and other transaction-related compensation and charges arising out of transactions involving Fund assets, including costs associated with using a service provider unaffiliated with Stillwater to provide outsourced trading functions;
- interest and borrowing charges on securities sold short and margin and other borrowings;
- custodial and bank service fees;
- costs of systems, facilities and third-party services for order placement, order management and clearance and settlement functions;
- costs directly related to researching, acquiring, holding and/or monitoring and administering Master Fund investments and potential investments, including (A) costs of third party investigative, analytical and/or reporting services; (B) costs of systems and services for modeling, testing and other analysis of portfolio construction, attributes and/or risks; (C) costs

of systems and services that facilitate conducting and managing investment research, analysis and investment decision-making, including costs of developing Stillwater proprietary systems and tools in addition to or in lieu of similar third-party services; and (D) costs (other than costs of travel and accommodations) of attending symposia and conferences, membership on creditors' or equity-holders' committees (both formal and informal), and participating in deliberations and negotiations regarding Master Fund investments;

- costs of quotation, computerized news, pricing and/or statistical services or software;
- auditing, accounting, third-party-administration (including the Administrator's), external bookkeeping, tax preparation and reporting, legal and other professional fees and costs (including fees and costs paid to the Investment Manager's counsel for services relating to the Fund's legal affairs (which include documentation and negotiation of special arrangements between the Fund and any Limited Partner));
- fees and costs in connection with any lawsuits, arbitrations or other controversies and in connection with, among other things, the Fund's or the Master Fund's indemnification obligations owed to Stillwater and its affiliates;
- costs of the Fund's, the Master Fund's and their affiliates' registration and filings with and licensing by governmental and self-regulatory organizations and costs associated with regulatory, tax and other filing and reporting requirements by or related to the Fund and/or the Master Fund, including filings required of Stillwater and/or its affiliates as a result of their involvement in the management of or provision of services to the Funds (including Schedules 13D or 13G and Forms 3 and 4, but not including registration of the Investment Manager as an investment advisor, compliance with general investment adviser requirements and similar registration and compliance requirements);
- transfer, withholding, income, stamp and other taxes and duties (which may in certain circumstances be specially charged by the Fund to one or more Limited Partners);
- the Fund's allocable share of the costs of directors and officers, errors and omissions, and possibly other types of insurance maintained by Stillwater or the Funds;
- Fund meetings and other governance activities and costs of reporting to Limited Partners and of making information available to Limited Partners;
- fees of the Governance Committee Members that are not affiliated with Stillwater and reimbursable expenses of those Members; and
- all other costs related to the Fund's and the Master Fund's operation or to the purchase, sale or transmittal of Fund or Master Fund assets, all in the General Partner's discretion.

The amount of charges and expenses indirectly borne by an investor may vary from year to year.

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

As noted in Item 5, the General Partner receives performance-based fees, referred to as incentive allocations, from the Master Fund. The incentive allocations provide the Adviser with an incentive to engage in more speculative investment strategies to maximize gross profits, which lead to greater compensation. While not currently applicable to our business, we recognize that the management of funds or accounts with differing terms related to performance-based fees could create potential conflicts of interest, including the risk that an adviser may favor one account over another. The Stillwater Funds are not subject to this conflict in that they share the same fee structure and are managed as a single pool of assets under a single strategy, with all trading activity conducted through the master fund. If Stillwater were to manage additional accounts with different fee structures in the future, trade allocation policies would be developed and designed to allocate investments in a fair and equitable manner.

Item 7. Types of Clients

The Adviser provides investment advisory services to the Master Fund. Investment advice is provided directly to the Funds and not individually to its investors. Investors in the Funds may include, but are not limited to, banks, pension and profit-sharing plans, sovereign wealth funds, endowments, foundations and corporates or other business entities.

The minimum initial investment is \$10,000,000 although Stillwater (or the Board of Directors for the Offshore Fund) may waive the minimum investment amount, and intends to waive such requirements for Stillwater and its affiliates, employees or owners and their family members and entities and estate planning vehicles established for the benefit of the foregoing.

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

Methods of Analysis and Investment Strategies

Stillwater has broad and flexible investment authority, but its primary method is to invest in or to sell securities as determined by an investment process based on the Adviser's core values. Although Stillwater generally makes capital allocation decisions based on fundamental research, Stillwater has, in the past, made decisions based upon other methodologies and will likely do so in the future as considered appropriate and in the Fund's best interest.

The Adviser offers a global, long/short equity investment strategy that may include concentrated long and short positions. Both long and short positions may be opportunistically hedged with a variety of instruments that may target both general market risk and risks that are particular to a given position.

Stillwater may invest or trade the Master Fund's assets in all types of instruments, including United States or non-United States stocks (publicly traded or privately issued or negotiated), warrants and rights, corporate bonds, notes, debentures or other debt or debt participations,

convertible securities, fixed income securities, swaps, currencies, options (purchased or written), futures contracts, commodities and forward contracts, derivative instruments in relation to one or more of the foregoing, partnership interests and other securities or financial instruments including those of investment companies. The Master Fund may have a highly-concentrated portfolio.

With respect to industry, Stillwater is a generalist and may invest long or short across industries. With respect to geography, the Adviser has a global mandate, but will generally concentrate in North America and Europe. The Adviser maintains a flexible approach to shifting “net exposure” depending on the relative attractiveness of long versus short opportunities in the market. In general, the Adviser seeks to maintain a net long bias.

The investment strategies summarized above represent Stillwater’s current intentions, are general in nature and are not exhaustive. Stillwater may use any trading or investment techniques, whether or not contemplated by the expected investment strategies described above, as described in the Feeder Funds’ Offering Memoranda. Depending on conditions and trends in securities markets, Stillwater may pursue other strategies or use any techniques that it considers appropriate and in the Master Fund’s and the Feeder Funds’ interests.

Risk of Loss

An investment in the Offshore Fund or the Onshore Fund involves significant risks. You should invest only after consulting with your own independent qualified sources of investment and tax advice.

Neither the Funds nor Stillwater guarantee or represent that the Master Fund’s investment program will be successful. As with any investment, an investor could lose some or all of his or her or its investment. The Funds are not a complete investment program and, if you invest, that investment should represent only a portion of your overall asset management strategy. The following is a brief summary of some of the significant risks that investors should consider before investing.

General Investment Risks

Market Conditions and Disruptions; Interconnected Markets. Developments and disruptions in financial and securities markets generally, including aspects and attributes such as interest rates, the availability of credit, the liquidity of particular types of Investments, as well as changes in general economic conditions, including unemployment and inflation, can significantly affect the prospects of companies in which the Master Fund invests, the Adviser’s ability to assess those prospects and the Master Fund’s ability to adapt its portfolio and market exposures. For example, in 2007 and 2008, a global “credit crisis” caused rapid and violent swings in all markets. In the summer and early fall of 2011, global economic disruptions caused additional dramatic swings in securities prices. In 2012, developments in Europe caused significant price swings. Market disruptions could cause the Master Fund to incur major losses, particularly if they cause historical pricing relationships to become materially distorted or previously liquid positions to become illiquid.

Counterparty and Custody Risk. Investment funds such as the Master Fund must place most of

their assets in the custody of institutions, such as brokerage firms and banks, which may hold those on the books of depositaries and other intermediaries in the institutions' own name (*i.e.*, in "street name"). The Master Fund is subject to the risk that these firms, as well as other brokers, counterparties or clearinghouses with which the Master Fund deals, may default on their obligations to the Master Fund. Any such default could result in material losses to the Master Fund. Bankruptcy or fraud at one of these institutions could also impair the Master Fund's operational capabilities or capital position. Securities and other assets the Master Fund deposits with custodians or brokers may not be clearly identified as being the Master Fund's assets, causing the Master Fund to be exposed to credit risk with regard to those custodians or brokers.

Governmental Intervention in Markets. Since 2008, financial crises and market disruptions have led to extensive new governmental intervention in financial markets and the structure and operation of financial institutions. Many governmental interventions have been unclear in scope and application and have included apparent inconsistencies, at times causing losses for market participants, contributing to confusion and uncertainty as to important market forces, and in some cases contributing, at least temporarily, to illiquidity in some markets. In particular, in the United States the 2010 Dodd-Frank Wall Street Reform and Consumer Protection Act substantially altered the regulation of many markets, market participants and financial instruments.

It is impossible to predict what additional interim or permanent governmental restrictions or other actions may be imposed on financial markets, particularly if new disruptions occur, and it is impossible to predict the effect those restrictions or other actions may have on the Adviser's strategies or each of the Feeder Funds' portfolio when implemented. Those effects could create or exacerbate market disruptions and further expose the Feeder Funds to risks of the kinds described above.

Risks Arising from Broad Discretion and Dependence on Stillwater

The Adviser has exclusive and unrestricted discretion to invest the Master Fund's assets. The Feeder Funds' prospects depend upon the Adviser's ability to develop and to implement investment strategies that achieve the Master Fund's investment objectives. The following describes some of the risks that arise from relying on an investment adviser with such broad discretion and on the Adviser in particular.

Investment Selection; Subjective Judgment. The Adviser will select Investments based on its analysis and subjective assessment of a wide variety of factors that it considers, from time to time, relevant to the prospects of those Investments. Failures of that analysis or those assessments, for particular Investments or for strategic direction and construction of the Master Fund's portfolio as a whole, may cause the Feeder Funds to incur losses or to miss profit opportunities. Areas in which the Adviser's skill and potentially subjective judgment may be particularly important include the following:

- *Market Judgment.* The Adviser's personnel will apply judgment as to overall market conditions and directions as a core part of implementing the Master Fund's strategy at any particular time.

- *Fundamental Analysis.* Fundamental analysis, based on the theory that market prices do not always incorporate all knowable economic and other relevant data, is subject to the risk of inaccurate or incomplete market information, as well as faulty analysis of known information. In addition to the risk of shortcomings in analysis, Investments made based upon fundamental analysis are subject to significant losses when market sentiment leads to material discounting of market prices from the prices indicated by fundamental analysis (as in the case of “flights to quality” when the demand for certain risky investment instruments plummets) or when technical factors, such as price momentum encouraged by trend following, dominate the market.
- *Risk Management.* The Adviser actively causes the Master Fund to take risks, directly exposing it to potential loss under a wide variety of market conditions. It attempts to identify, measure and monitor risks associated with the investment activities and may choose to hedge or otherwise mitigate risks it identifies. However, the Adviser may choose not to hedge or mitigate certain risks that it identifies, it may fail to identify or anticipate a wide variety of risks that may adversely affect the Master Fund, or the hedging or other risk mitigation techniques may not have the desired effect, potentially exposing the Master Fund to material losses.
- *Technical Analysis.* The Adviser may incorporate elements of technical analysis (analysis of historical and current market data) into its investments and into hedges used to attempt to control risk. Technical analysis is subject to the risk that unexpected fundamental factors or other factors that were not present during the periods from which historical data were generated on which decisions are based may arise and become dominant, at least for a time.
- *Use of Technology.* Stillwater’s research, and in certain instances portfolio construction, are highly dependent on the use of computers. Stillwater has developed proprietary software to aid in identifying and selecting securities for the Master Fund. Stillwater aggregates data from various sources, runs statistical calculations and makes portfolio management decisions based upon the output from the data. If the data, calculations or conclusions generated are wrong, there could be an adverse impact on the strategy and therefore the Master Fund. Stillwater is constantly changing its research and investment selection processes, including software and other analytical tools, to enhance the investment process. Investors should be aware of the potential for hardware and software errors and that such errors present an inherent risk of investing with a process driven Adviser such as Stillwater.

Reliance on Key Personnel. The Feeder Funds’, the Master Fund’s and the Adviser’s operations are substantially dependent upon the skill, judgment and expertise of Adam Weiss and the Adviser’s other personnel. The death, disability, departure or other unavailability of Mr. Weiss or any other key personnel could have a material and adverse effect on the Feeder Funds and the Adviser.

Limited Operating History. The Feeder Funds, the Master Fund and Stillwater are newly-formed and have relatively little operating history. Further, because, among other things, market conditions and investment approaches are continually changing, prior investment

performance of the Adviser's key personnel does not necessarily indicate the Feeder Funds' prospects for profitability.

Concentration of Investments. The Master Fund will not be as diversified as many other investment funds. The Adviser expects that the Master Fund may at times have a relatively large portion of its capital exposed to a relatively small number of positions and/or a particular industry. Losses in one or more large positions, or a downturn in an industry in which the Master Fund is concentrated, could materially adversely affect the Feeder Funds' performance and could have a materially adverse effect on the Feeder Funds' overall financial condition.

Risks Arising from Particular Activities or Types of Securities

All investment and trading activities risk the loss of capital. The following describe some of the risks to which the Feeder Funds' portfolio will, or may, be subject.

Investments Based on Valuation. The Master Fund will invest in securities the Adviser believes are undervalued and may sell short securities the Adviser believes are overvalued. Identifying investment opportunities of these kinds is a difficult task and neither the Feeder Funds nor the Adviser can provide any assurance that the Adviser will succeed at it. While Investments in undervalued securities offer opportunities for above-average capital appreciation, these Investments involve a high degree of financial risk and can result in substantial losses and short sales based on expectations that market participants will come to agree that a stock is overpriced can theoretically involve even higher risks. The Master Fund may be required to hold positions for a substantial period before market prices reflect the Adviser's beliefs about their value. Returns generated from the Master Fund's Investments may not adequately compensate for the business and financial risks assumed.

Short Selling. The Master Fund will sell securities short as a regular part of its investing activities. In a short sale, the Master Fund sells securities it does not own, in the expectation that the market price will decline and the Master Fund will be able to buy replacement securities later at a lower price. To accomplish this, the Master Fund borrows the securities from a broker or other third party. It "closes" the position by "returning" the security (buying a replacement security on the lender's behalf). This "return" obligation does not typically have a specified "maturity" date and the lender generally may require replacement of the securities whenever it chooses. A short sale theoretically involves the risk of unlimited loss; the price at which the Fund must buy "replacement" securities could increase without limit. The Master Fund may experience losses on short positions that are not offset by gains on long positions.

Hedging. The Adviser may use hedging strategies to the extent it considers appropriate in light of current circumstances and portfolio composition. It may do so using short positions in one instrument to hedge long positions in another instrument and vice versa. Hedging strategies in general are intended to limit or reduce investment risk, but they involve transaction costs and may inherently limit or reduce the potential for profit. Hedges are often imperfectly inversely correlated with the underlying exposure the Feeder Funds seek to hedge and, to the extent that is the case, can subject the Feeder Funds to additional risk if prices involved in the hedging position move against the Feeder Funds. Other risks that may be involved in hedging include: (i) possible illiquidity in the market for closing out a hedging position; (ii) interest rate, spread or

other broad market movements not anticipated by the Adviser; (iii) the Feeder Funds' obligations to meet margin or other payment requirements; (iv) a counterparty's default or refusal to perform; and (v) impact that required segregation of the Master Fund's assets to cover hedge- related obligations may have on portfolio management or the Feeder Funds' ability to meet short term obligations. The Master Fund will not attempt to hedge all market or other risks inherent in its positions and will hedge certain risks, if at all, only partially.

Portfolio Leverage. Leverage in the Master Fund's portfolio could increase both the possibilities for profit and the risk of loss. If the Master Fund were to borrow to leverage its Investments (margin borrowing), that borrowing would probably be secured by the Master Fund's securities and other assets. Margin borrowings typically allow the lender to demand an increase in the collateral that secures the Master Fund's obligations and if the Master Fund were unable to provide additional collateral, the lender could liquidate the collateral to satisfy the Master Fund's obligations. Forced liquidation could have extremely adverse consequences, including sales at disadvantageous times and prices and the acceleration of tax consequences.

Risks of Investing in Non-United States Securities. The Master Fund may invest and trade in securities of non-United States companies or governmental entities and in securities, commodity interests and derivative contracts and instruments denominated in currencies other than United States dollars. The following are some of the more significant risks associated with this type of investing:

- *Political and Economic Instability.* Many non-United States economies and markets are relatively unstable due to, among other things, volatile internal political environments, relatively unstable monetary systems and/or external political risks. Some governments participate in their economies through ownership or regulation in ways that can have a significant effect on securities prices. The economies of some countries depend heavily on international trade and can be adversely affected by the enactment of trade barriers or changes in the economic condition of their trading partners. In some countries, especially developing or emerging countries, political or diplomatic developments could lead to programs that would adversely affect Investments, such as confiscatory taxation or expropriation.
- *Currency Fluctuations.* The Master Fund may invest in securities denominated in foreign currencies. A change in the value against the United States dollar of a currency in which an investment is denominated causes a corresponding change in the United States dollar value of the investment. Some foreign countries maintain their currencies at artificial levels relative to the United States dollar. This type of system can lead to sudden and large adjustments in the currency, which can in turn result in losses to foreign investors. The Master Fund may enter into futures and foreign currency transactions to attempt to reduce its foreign currency exposure. These techniques may reduce, but will not eliminate, the risk of loss due to unfavorable currency fluctuations and they tend to limit any potential gain that might result from favorable currency fluctuations. Some countries restrict conversion of their currency into foreign currencies, including the United States dollar, and for some currencies, there is no significant foreign exchange market.
- *Characteristics of Foreign Securities Markets.* Many foreign securities markets are not

as developed or efficient as those in the United States and may be more volatile than the United States markets. In particular, there is generally less government supervision and regulation of many foreign exchanges, brokers and listed companies than in the United States. Further, trading volumes in many markets are lower than in the United States markets, resulting in reduced liquidity and potentially rapid and erratic price fluctuations. Commissions for trades on foreign exchanges are generally higher than negotiated commissions on United States exchanges and custody expenses are generally higher as well. Settlement practices for transactions in foreign markets may involve delays beyond periods customary in the United States, possibly requiring the Master Fund to borrow funds or securities to satisfy its obligations arising out of other transactions. In addition, there could be more “failed settlements,” which can result in losses to the Feeder Funds.

- *Less Adviser Information and Regulation.* There is less publicly available information about many foreign companies than about United States companies. This may make it more difficult for the Adviser to keep informed of corporate action that may affect the price of a particular security. Further, many foreign countries lack uniform accounting, auditing and financial reporting standards, practices and requirements. These factors can make it difficult to analyze and to compare the performance of foreign companies.
- *Restrictions on Investment and Repatriation.* Some countries impose restrictions and controls regarding investment by foreigners. Among other things, they may require prior governmental approvals, impose limits on the amount or types of securities that may be held by foreigners or impose limits on the types of companies in which foreigners may invest. These restrictions may at times limit or preclude the Master Fund’s investment in certain countries and may increase the Master Fund’s costs. Indirect foreign investment may, in some cases, be permitted through investment funds that have been specifically authorized for that purpose. Because of the limited number of authorizations granted in such countries, however, units or Investments in most of the investment funds authorized in those countries may at times trade at a substantial premium over the value of their underlying assets. There can be no certainty that these premiums will be maintained and if the restrictions on direct foreign investment in the relevant country were significantly liberalized, premiums might be reduced, eliminated altogether or turned into a discount. In addition, certain foreign countries impose restrictions and controls on repatriation of investment income and capital.
- *Foreign Taxes.* Dividend and interest payments on certain foreign securities owned by the Master Fund may be subject to foreign withholding taxes, as may realized capital gains. Such taxes will reduce net proceeds to the Feeder Funds.
- *Depository Receipts.* The Master Fund may pursue some non-United States investing through American Depositary Receipts (“ADRs”), Global Depositary Receipts (“GDRs”), European Depositary Receipts (“EDRs”) or other similar securities representing ownership of foreign securities (collectively, “Depository Receipts”). Depository Receipts generally evidence an ownership interest in a corresponding foreign security on deposit with a financial institution. Transactions in Depository Receipts usually do not settle in the same currency in which the underlying securities are

denominated or traded. Generally, ADRs, in registered form, are designed for use in the United States securities markets and EDRs, in bearer form, are designed for use in European securities markets. GDRs may be traded in any public or private securities markets and may represent securities held by institutions located anywhere in the world. Investing through Depositary Receipts involves substantially the same risks as investing directly in non-United States securities.

Currencies and Foreign Exchange. The Master Fund may take positions in currencies, either directly or through the use of derivative instruments. While it generally will do so to hedge currency exposure on other Investments, it may also do so to take advantage of what the Adviser considers trading opportunities. The foreign exchange markets can be news-driven, can be unexpectedly volatile and can be affected by non-market forces such as actions of various governments.

Options. Trading options is highly speculative and may entail risks greater than investing in other securities. Option prices are generally more volatile than other securities' prices. When trading options, the Master Fund speculates on market fluctuations of securities and securities exchange indices while investing only a small percentage of the value of the securities underlying the options. A change in the market price of the underlying securities or underlying market index would cause a much greater change in the price of the option contract. In addition, if the Master Fund buys options that it does not sell or exercise, it will lose the premium paid. To the extent, the Master Fund sells (writes) options and must deliver the underlying securities at the option price, the Master Fund has a theoretically unlimited risk of loss if the price of the underlying securities increases. If the Master Fund must buy those underlying securities, it risks the loss of the difference between the market price and the option price. Any gain or loss derived from the sale or exercise of an option will be reduced or increased, respectively, by the amount of the premium paid. The expenses of option investing include commissions payable on the purchase and on the exercise or sale of an option.

Convertible Securities, Rights and Warrants. The Master Fund may invest in hybrid securities that may be exchanged for, converted into or exercised to acquire a predetermined number of Investments of an issuer's common stock at the option of the holder during a specified time period (such as convertible preferred stocks, convertible debentures, stock purchase rights and warrants). Convertible securities generally pay interest or dividends and provide for participation in the appreciation of the underlying common stock but at a lower level of risk because the yield is higher and the security is senior to common stock.

The value of a convertible security is a function of its "investment value" (determined by its yield in comparison with the yields of other securities of comparable maturity and quality that do not have a conversion privilege) and its "conversion value" (the security's worth, at market value, if converted into the underlying common stock). The credit standing of the issuer and other factors may also affect the investment value of a convertible security. If the conversion value is low relative to the investment value, the price of the convertible security is governed principally by its investment value. To the extent, the market price of the underlying common stock approaches or exceeds the conversion price, the price of the convertible security is increasingly influenced by its conversion value.

Convertible securities may also include warrants, often publicly traded, that give a holder the right to purchase at any time during a specified period a predetermined number of Investments of common stock at a fixed price but that do not pay a fixed dividend. Their value depends primarily on the relationship of the exercise price to the current and anticipated price of the underlying securities.

Derivatives in General. The Master Fund’s Investments in derivative instruments could include, among other things, options, contracts for differences, participatory notes, swaps (including on interest rate, credit default, total return and equity swaps), futures and forward contracts. While specific types of derivatives involve specific risks, all derivative instruments can involve a variety of material risks, including the following:

- *Leverage.* Derivatives can have significant embedded leverage: they can allow the Master Fund to participate in market price fluctuations of the underlying reference instrument or value (e.g., securities, indices, interest rates, commodities or currencies) while only investing a small percentage of the “notional” value of the contract. As with all forms of leverage, this can increase not only the opportunity for profit but also the risk of loss. Depending on how they are used, derivatives may increase or decrease the overall volatility of a portfolio.
- *Limited Liquidity.* The markets for many derivative instruments are frequently characterized by a limited number of dealers, which can mean limited liquidity and can, in turn, make it difficult and costly to close out positions in order either to realize gains or to limit losses.
- *Correlation Error and Change.* The pricing relationships between derivatives and the reference values or instruments underlying them may suddenly change from historical patterns, resulting in unexpected losses.

Over-the-Counter Derivatives. Over-the-counter or “OTC” derivatives have historically been individually-negotiated, non-standardized agreements entered into directly and privately between two parties—rather than on an exchange—to make/receive payments based on changes in underlying reference instruments or values. While, as described below, legislation and regulations require many derivatives to be cleared, many will remain bilateral and non-cleared. OTC derivatives involve the following types of risks, among others:

- Counterparties might fail to perform, subjecting the Master Fund not only to loss of the benefit of the derivative agreement but also, potentially, to loss of access to assets posted as collateral. Non-cleared OTC derivatives are generally not afforded the risk-mitigating protections of an execution facility or clearinghouse, or of a government regulator that oversees the execution facility or clearinghouse, in the event of such a failure to perform. Even cleared derivatives may not avoid these risks entirely: when transacting in cleared OTC derivatives, the Master Fund will not face a clearinghouse directly but rather will transact through an OTC derivatives dealer that is registered with the United States Commodity Futures Trading Commission (“CFTC”) or SEC to act as a clearing member (a futures commission merchant). If another of the Master Fund’s clearing member’s customers fails to meet its obligations to the clearing member, under certain circumstances

the clearing member could default on its obligations to the clearinghouse and the Master Fund's assets held by the clearing member could consequently become inaccessible for an indefinite period or could ultimately prove not to be recoverable.

- If a counterparty's creditworthiness declines, the value of a derivative contract with the counterparty can be expected to decline, potentially resulting in losses by the Master Fund.
- Many derivative contracts call for payments periodically or upon changes in the price of the underlying instrument, rates or indices. The Master Fund must be prepared to make those payments when due and it may be required to maintain collateral with its counterparty to support its payment obligations. If the Master Fund were to fail to fulfill those obligations or to post any required collateral, its counterparty could declare an event of default and the Master Fund could be required to pay breakage fees, suffer the loss of the amounts paid to the counterparty and possibly forego future payments from the counterparty.
- OTC derivatives are less liquid than listed options or futures.
- Difficulties may arise in interpreting the legal terms of the relevant agreements.

Futures/Commodities Activities. The Master Fund could buy futures on securities indices, commodities or currencies and trade in other commodity interests. As with some other derivatives, futures can provide a form of leverage, allowing the Master Fund to participate in market price fluctuations of indices, interest rates or commodities underlying futures (or options on futures), while only investing a small percentage of the value of those underlying indices, rates or commodities as margin. Trading in futures is highly speculative and may entail risks that are greater than investing in securities, including: increased volatility relative to other securities; increased exposure resulting from the leverage aspects of futures trading; and the potential illiquidity of futures positions. Neither the Adviser nor the General Partner is registered as either a "commodity pool operator" or a "commodity trading adviser."

Exchange Traded Funds and Other Pooled Investment Vehicles. The Master Fund may invest or trade in Exchange Traded Funds ("ETFs"), index-related instruments and other instruments or pooled vehicles as a way of hedging risks related to particular industries, sectors or markets in connection with its other Investments. Doing so will subject the Feeder Funds to hedging-related risks. It may also include the risk that an ETF or index-related instruments may not effectively reflect the performance of the index, industry or other market it is intended to replicate. Investing in any pooled investment vehicle involves, in addition to all the risks involved in investing in securities or commodities generally, the risk that the expenses charged to the pooled vehicle reduce the return, that the managers of the pooled vehicle are not successful at their stated program, that those managers face conflicts of interest, that the investment is illiquid and that the non-investment operations of the pooled vehicle become subject to error and mismanagement, resulting in losses for the pooled vehicle. In any event, such pooled vehicles can be expected to incur costs in addition to the Feeder Funds' fees and costs described in this Brochure, thus reducing the return on Investments in those vehicles.

Debt Instruments. The Master Fund may invest in debt or other fixed-income instruments, including bonds and debentures. Particular types of debt instruments are subject to various risks that are specific to the ways in which they are structured, the industries and markets in which their issuers participate, the assets underlying the instruments, the impact of applicable tax or regulatory factors and numerous other specific factors. But the values and prices of all debt instruments are subject, in substantially the same way (albeit with differing levels of sensitivity), to credit risk, market risk and interest rate risk.

- *Credit risk* is the risk that a fixed income security will decline in price, or fail to pay interest or principal when due, because the issuer of the security experiences a decline in its financial status.
- *Market risk* relates to the changes in the market perceptions of the risk of an issuer, country or region. The market values of debt instruments, particularly non-investment grade debt, may be more volatile than the values of other Investments and, during periods of economic uncertainty and change, the market price of these Investments can decrease rapidly and dramatically.
- *Interest rate risks* include: (i) if interest rates increase, the value of fixed income securities will generally decline; (ii) during periods of rising interest rates, the average life of certain fixed income securities may be extended because of slower than expected principal payments, which may lock in a below market interest rate, increase the security's duration and reduce the value of the security (*i.e.*, extension risk); and (iii) during periods of declining interest rates, the issuer of a security may exercise its option to prepay principal earlier than scheduled, forcing the Master Fund to invest in lower yielding securities (*i.e.*, call or prepayment risk).

The following is a list of some of the types of debt instruments in which the Master Fund may invest or trade, each of which is subject to the risks described above as well as other particular risks applicable to the specific type of debt instrument: non-investment grade (high yield) instruments; bank loans and participations; non-traditional debt Investments; municipal securities; non-United States sovereign debt; asset-backed securities; mortgage-backed securities; other securitized products; and United States government securities. The Master Fund may buy any of these types of debt instruments in circumstances in which they are non-performing or possibly in bankruptcy, which may increase the probability that the debt's issuer would default on the debt or require the Master Fund to incur expenses to restructure the debt instruments.

Fund Risks

Limited Liquidity. An investment in the Funds is illiquid and is not suitable for an investor who needs liquidity. There is no public market for Interests and there are limitations on Limited Partners' abilities to transfer their Interests. Although Limited Partners may withdraw capital, their ability to do so is subject to several limitations, depending upon which Interests (Series A or Series B).

Valuation. For some of the Master Fund's securities, the market may be or become subject to irregular trading activity, wide bid/ask spreads and extended trade settlement periods, resulting in

unreliability of pricing information. Further, if an issuer's financial condition deteriorates, accurate financial and business information can become limited or entirely unavailable and prices for its securities may not be available from any source. Although most marketable securities and other instruments are valued based on prices reported in the public markets, where third-party pricing of an asset is not readily available, valuation will be in the General Partner's discretion. In addition, where the Adviser considers market-based pricing information not to be indicative of the position's value, the Master Fund may assign a different (less favorable) value. As a result of these and other factors, values reflected in financial reports and used in determining investors' sharing percentages (*e.g.*, upon new subscriptions), redemption proceeds, the Management Fee and Incentive Allocations might not accurately reflect the amounts the Master Fund could obtain (or would be required to pay as to some types of derivatives positions) if it were to try to sell the security (or close the position). Stillwater faces conflicts of interest in making valuation decisions.

Risks Applicable to Investors in the European Economic Area

Enforcement of Judgments. The Offshore Fund and all or substantially all of its Directors, officers and other persons acting for the Offshore Fund are expected to be located outside of the European Economic Area ("EEA"). As a result, investors who are domiciled or organized in any EEA member state may not be able to effect service of process upon the Fund or such persons within that member state. All or a substantial portion of the Fund's assets and such other persons may be located outside of the EEA and, as a result, it may not be possible to satisfy a judgment against the Fund or such persons in an EEA member state jurisdiction or to enforce a judgment obtained in an EEA member state's courts against the Fund or such persons.

Although there is generally no statutory enforcement in the Cayman Islands of judgments obtained in a foreign jurisdiction, a judgment obtained in such jurisdiction will be recognized and enforced in the courts of the Cayman Islands at common law, without any re-examination of the merits of the underlying dispute, by an action commenced on the foreign judgment debt in the Grand Court of the Cayman Islands, provided such judgment satisfies certain criteria.

European Market Infrastructure Regulation. On August 16, 2012, EMIR entered into force.

EMIR introduced certain requirements in respect of derivative contracts. EMIR applies primarily to "financial counterparties" ("FCs") such as EU authorized investment firms, credit institutions, insurance companies, UCITS and alternative investment funds managed by EU authorized alternative investment fund managers and "non-financial counterparties" ("NFCs") which are entities established in the EU that are not financial counterparties. NFCs whose transactions in OTC derivative contracts exceed EMIR's prescribed clearing threshold ("NFC+s") are generally subject to more stringent requirements under EMIR than NFCs whose transactions in OTC derivative contracts do not exceed such clearing threshold (including because such contracts are excluded from the threshold calculation on the basis that they are concluded in order to reduce risks directly relating to the NFC's commercial activity or treasury financing activity) ("NFC-s").

Broadly, EMIR's requirements in respect of derivative contracts are: (i) mandatory clearing of OTC derivative contracts declared subject to the clearing obligation; (ii) risk mitigation techniques in respect of uncleared OTC derivative contracts; and (iii) reporting and record-

keeping requirements in respect of all derivative contracts.

As FCs and NFCs are required to comply with EMIR's risk mitigation obligations regardless of the identity of their counterparties, non-EU counterparties such as the Fund are likely to become indirectly subject to such requirements when they transact with EU counterparties, which will require compliance by their non-EU counterparties in order to satisfy their own obligations under EMIR. EU FCs or NFCs which transact with a non-EU counterparty that would be classed as an FC or an NFC+ if it had been established in the EU will also be required to ensure that certain specified OTC derivative contracts are cleared through a duly authorized central counterparty. Certain obligations under EMIR (such as the obligation to report transactions, reconcile portfolios and confirm transactions in a timely fashion) have already been implemented through secondary measures, while others, such as the requirement to exchange collateral, are still being finalized.

Other Risks

Master-Feeder Structure. The Onshore Fund and the Offshore Fund invest alongside each other as the Feeder Funds in the Master Fund. Operating in a master-feeder structure could, under some circumstances, create pressure for the Adviser to manage the Master Fund's portfolio in ways that are less advantageous to the Feeder Funds than if each of the Feeder Funds pursued its investment activities independently. For example, the Master Fund might make Investments that are attractive to the Onshore Fund but that could give rise to withholding taxes or other tax burdens specific to the Offshore Fund when other opportunities might provide lower pre-tax returns but better returns for the Offshore Fund because they would not subject the Offshore Fund to withholding or other taxes.

Item 9. Disciplinary Information

Stillwater and its management personnel have not been involved in any legal or disciplinary events in the past ten years that would be material to a client's or prospective client's evaluation of the Adviser's advisory business or management integrity.

Item 10. Other Financial Industry Activities and Affiliations

Neither Stillwater nor any of its management persons is registered, or has an application pending to register, as a broker-dealer, registered representative of a broker-dealer, futures commission merchant, commodity pool operator, commodity trading advisor, or associated person of any of the foregoing entities. Stillwater and the General Partner rely on certain exemptions from registration as commodity pool operators or commodity trading advisers pursuant to the United States Commodity Exchange Act and rules promulgated thereunder.

Aside from the investment advisory and general partner relationships between Stillwater and Stillwater Investment Management GP, LLC, the General Partner of the Adviser, as well as the common control of Stillwater and the General Partner by Mr. Weiss, neither Stillwater nor any of its management persons has a relationship material to the business of Stillwater or the Funds with any related person reportable under this item.

Stillwater does not recommend or select other investment advisers for our clients in return for direct or indirect compensation from such advisers, nor does Stillwater have other business relationships with any investment advisers so recommended or selected, in each case, that creates a material conflict of interest.

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

Code of Ethics

Stillwater has adopted a code of ethics (the “Code”) pursuant to Rule 204A-1 under the United States Investment Advisers Act of 1940 (the “Advisers Act”) which requires Stillwater and its employees to put the interests of the Adviser’s clients before its own interests and to act honestly and fairly in all respects in its dealings with its clients. The Code also requires all employees to comply with applicable federal securities laws.

The Code includes provisions relating to the confidentiality of client and firm information, prohibitions on insider trading and market manipulation, policies and procedures regarding personal trading and other potential conflicts of interest.

Employees are generally prohibited from trading in reportable securities other than ETFs. However, Stillwater allows employees to dispose, with prior written approval, reportable securities that were acquired before the Code becomes applicable to such employees. The Adviser also allows its employees to invest in the Feeder Funds managed by Employees may invest in the Stillwater Funds, subject to eligibility requirements.

Clients and investors may obtain a copy of Stillwater’s Code of Ethics by contacting Stillwater’s Chief Compliance Officer, Lisa Giovannelli, at (724) 935-6774.

Conflicts of Interest

In the ordinary course of conducting its activities, the interests of Stillwater and its affiliates may conflict with those of the Funds. Some of these potential conflicts, and our measures to address them include:

Conflicts Relating to Performance-Based Fees. Conflicts relating to performance-based fees are addressed in Item 6 and are mitigated by the fact that the Funds are managed as a single pool of assets. In addition, the existence of the performance allocation may create an incentive for the General Partner to cause the Funds to make more speculative investments than they would otherwise make in the absence of such compensation. Finally, as stated above in Item 4, Stillwater may in the future manage additional investment vehicles and/or separately managed accounts that entitle Stillwater and its affiliates to different performance allocations or performance-based fees. To address these conflicts, our policies and procedures seek to provide that our employees make investment decisions based on the best interests of our clients, without consideration of firm or employee pecuniary interests.

Conflicts Relating to Valuation. The General Partner or the board of directors, as applicable, of the Funds exercises supervisory authority over the valuation of the Fund's assets, which authority has been delegated to Stillwater. Valuation methodologies for certain investments can be subjective and involve a measure of judgment. The portfolio valuations that we oversee affect the calculation of management fees payable to us and the performance allocation paid to our affiliated General Partner entity. We have a valuation policy designed to minimize this potential conflict of interest which directs us to use stock exchange pricing and other external price measures for most securities and requires us to use consistent and fair valuation criteria in circumstances where external pricing is unavailable or unreliable. In addition, our third-party administrator assumes primary operational responsibility for pricing our portfolio, and a full reconciliation is performed.

Conflicts Relating to Side Letter Arrangements

Stillwater has entered into a limited number of side letters with certain strategic investors that have established different rights or privileges with respect to, but not limited to, most favored nation status, transfers, reporting of certain events (e.g. change in auditor or prime broker, valuation overrides, use of investor's name), distributions in kind, changes in CIO ownership of the Funds, and capacity rights. In addition, Stillwater has waived the notice requirements for withdrawals for certain Partners and Employees and will likely do so for other Employees if so requested, as long as such withdrawals are not in detriment to the Funds.

Conflicts Relating to Employees Trading for Their Own Account

Investments by Stillwater or its employees, for their own accounts, in securities that are also in the Fund could give the perception of interfering with our fiduciary duty of making decisions that are in the best interest of our Clients and could otherwise have a disadvantageous effect on the values, prices or trading strategies of the Funds. Our personal trading policy, described above, has been developed to address this particular conflict by establishing strict personal trading guidelines.

Item 12. Brokerage Practices

Stillwater has complete discretion in deciding what brokers, dealers and other financial intermediaries and counterparties to use for portfolio transactions (collectively, "Transacting Parties"). The Adviser also has complete discretion to negotiate compensation arrangements and transaction terms with Transacting Parties, including not only commissions for transactions effected on any agency basis, but also markups, markdowns and other compensation implicit in prices of transactions effected directly with Transacting Parties acting as principal. The following describes some noteworthy aspects of the Adviser's and the Master Fund's use of, and relationships with, Transacting Parties.

Selection Criteria

In choosing Transacting Parties, Stillwater is not required to consider any particular criteria. It generally seeks "best execution" of the Master Fund's transactions. However, what constitutes "best execution" and determining how to achieve it are inherently uncertain. The Adviser typically considers a range of factors, including: historical net prices (after markups, markdowns and other transaction-related compensation); Transacting Parties' execution, clearance and

settlement and error correction capabilities generally and in connection with instruments of the type and in the amounts to be bought or sold; their willingness to commit capital; their reliability and financial stability; the size of the transaction; the availability of securities to borrow for short sales; the market for the instrument in question; and the nature, quantity and quality of research and other services and products the Transacting Party provides. The Master Fund may at times pay more than the lowest transaction cost available in order to obtain services and products other than the execution of securities transactions.

Use of Soft Dollars

When a Transacting Party provides the Master Fund or the Adviser with products or services beyond transaction execution, or pays for them, the Master Fund or the Adviser is said to have acquired those services or products with “soft dollars.” Stillwater reserves the right to use soft dollars to pay for research and brokerage services so long as such usage meets the safe harbor criteria of Section 28(e) of the Securities Exchange Act of 1934, as amended, which provides, in summary, that it is not a breach of fiduciary duty for an adviser to cause an account to pay a commission in excess of the lowest rate available if the adviser determines in good faith that the amount of the commission is reasonable in relation to the value of the brokerage and research services provided.

Stillwater receives valuable proprietary research services from its broker-dealers. Consistent with its responsibility to seek best execution, Stillwater considers the value of proprietary research and related services in its broker selection process, discussed above in this Item 12. In each case, Stillwater will determine in good faith whether the amount of the broker’s commission is reasonable in relation to the value of research and brokerage services the broker provides to the Master Fund, in the context of either a particular transaction or our overall responsibilities. Stillwater does not seek lower brokerage commissions to the extent that doing so might detract from the provision of such services.

Aside from the proprietary research services provided by full-service brokers, Stillwater has also entered into commission-sharing arrangements that meet the requirements of the Section 28(e) safe harbor. A commission-sharing arrangement is an arrangement whereby a portion of the commission dollars we pay to a broker-dealer for Fund trades is allocated to a third-party research provider for research products and services created or developed by the third party.

By way of example, the types of proprietary research and other products and services we received from broker-dealers as part of the services offered to their trading customers and from a third-party research provider under a commission-sharing agreement in our last fiscal year include research reports, calls with sell-side analysts, industry conferences, broker-arranged meetings with management, calls with industry experts and consultants and specialized research. In all cases, transactions were allocated to the brokers in accordance with the best execution evaluation criteria and process described above, and all such services satisfy the criteria of Section 28(e).

The usage of soft dollars may create conflicts of interest. Stillwater may have an incentive to select or recommend a broker-dealer based on its interest in receiving the research or other products or services, rather than on its clients’ interest in receiving most favorable execution. However, as mentioned above, the acquisition of products and services using soft dollars versus hard dollars

does not involve a conflict of interest that would traditionally exist because the Feeder Funds otherwise would incur hard dollar costs and expenses associated with brokerage and research-related products and services. The generation and use of soft dollars to acquire brokerage and research-related products and services benefits Stillwater by allowing Stillwater, at no cost to it, to supplement its own research and analysis activities, to receive the views and information of individuals and research staff of other securities firms, and to gain access to persons having special expertise on certain companies, industries, areas of the economy and market factors. In acquiring services or products using soft dollars, Stillwater has an incentive to cause the Master Fund to pay higher compensation, use different Transacting Parties and effect more transactions than it might otherwise do, possibly at the Master Fund's expense. Stillwater may cause the Master Fund to use soft dollars to pay Fund-related accounting and other ongoing expenses and to reimburse Stillwater for the Feeder Funds' expenses. The Master Fund could also use transaction-related compensation (as well as interest prime brokers receive on cash balances, margin borrowings and borrowings of securities to maintain short positions) to pay a prime broker for recordkeeping, custodial and related services.

Stillwater does not have any directed brokerage arrangements.

Aggregation Across Client Accounts

Because Stillwater manages the Funds' assets through a single account maintained by the Master Fund, we do not have multiple accounts from which to aggregate orders or allocate trades. In the event that we manage additional accounts in the future, we will evaluate and adopt additional procedures with respect to aggregation and allocation.

Trade Errors

While the Adviser takes the utmost care in making and implementing investment decisions on behalf of the Feeder Funds, it may make an error while placing a trade for the Master Fund. The Master Fund will bear the burdens, and enjoy the profits, from any trading errors, unless those errors involve gross negligence or willful misconduct by the Adviser. To minimize trade errors and mitigate any risks associated with trade errors, Stillwater has adopted a trade error policy, which requires, among other things, the Adviser to reconcile promptly confirmation with trade tickets and by reviewing past trade errors to understand the internal control breakdown that caused the errors.

Item 13. Review of Accounts

Review of Accounts

Stillwater's investment team monitors the Funds' portfolio on an ongoing basis to evaluate performance and whether the portfolio is positioned to achieve its investment objectives or whether adjustments are appropriate in light of changing market conditions, issuer developments, current opportunities or investment ideas. While the offering documents are broad, and do not contain any restrictions or limitations, the investment team monitors the portfolio to determine comfort levels with the overall levels of investment, position concentration, and other measures of risk and reward

potential, as well as consistency of what has been described to investors within the offering documents.

Reports to Investors

Regular reporting to investors includes, in addition to investor-specific monthly capital statements and annual Schedule K-1s, the following written information made available via email or the investor portal:

- Monthly performance estimates
- Quarterly investor letters
- Annual audited financial statements for the applicable Stillwater Funds

Item 14. Client Referrals and Other Compensation

Stillwater does not receive any economic benefit from anyone other than its clients for providing investment advice or other advisory services to its clients, nor does the Adviser compensate any person for client or investor referrals.

Item 15. Custody

Stillwater does not maintain physical possession of client funds or securities. Together, with the General Partner, Stillwater is authorized to withdraw funds or securities from the Stillwater Funds for the payment of management fees and other expenses, and our capacities as Adviser and General Partner afford Stillwater overall access to Fund securities and funds. As a result, Stillwater is deemed to have custody of client funds and securities within the meaning of the Advisers Act.

Consistent with the requirements under the Advisers Act, the assets of the Stillwater are held in accounts maintained with our prime brokers and our custodian, “qualified custodians” within the meaning of the Advisers Act. Our prime brokers and custodian are banks or registered broker-dealers that hold Fund assets in separate accounts (or in a separate customer account with records identifying the assets of each such Fund in accordance with applicable broker-dealer and custodial bank regulation).

In addition, the annual financial statements of the Funds are prepared in accordance with GAAP, audited by an independent accounting firm registered with the Public Company Accounting Oversight Board and distributed to all investors within 120 days of the Funds’ fiscal year end.

Item 16. Investment Discretion

Stillwater has full discretionary authority over all assets it manages for the Funds, consistent with the investment objectives and strategy described in the offering documents. This discretionary authority is conferred upon Stillwater pursuant to an investment management agreement with the Master Fund. Stillwater does not provide advisory services directly to investors in the Stillwater Funds.

Item 17. Voting Client Securities

Stillwater has sole authority to vote client securities, which is exercised in accordance with written proxy voting policies and procedures. In voting proxies, the Adviser is guided by general fiduciary principles. Stillwater's goal is to act prudently and in the best interest of the Feeder Funds and the investors in each of the Feeder Funds. Stillwater seeks to consider all positive and negative consequences its vote could have on the value of the investment. When voting proxies, Stillwater does so in a manner that it believes will be consistent with efforts to maximize the value of the Feeder Funds' positions. In its discretion, Stillwater may choose not to vote on particular proxy.

If Stillwater encounters an identifiable conflict of interest with respect to a particular vote, with sufficient time before a vote, the Adviser's Chief Financial Officer in consultation with the Adviser's Chief Investment Officer and Chief Compliance Officer, will determine how to vote the proxy consistent with the best interests of the Feeder Funds and in a manner not affected by the conflict of interest. The Adviser may opt for a voting procedure by which guidance is sought from outside legal counsel on matters involving a material conflict of interest.

Stillwater retains ISS Governance Services ("ISS"), an independent proxy voting service, as its agent. The Adviser delegates to ISS the authority to vote the proxies according to ISS's policies, subject to the Adviser's monitoring and review. Stillwater reserves the right to withdraw any proxy from ISS and to vote the proxy with Stillwater's review and approval. Stillwater will withdraw a proposed proxy vote from ISS in the event that the Adviser determines that the proposed vote by ISS would not be consistent with Stillwater's fiduciary duty to its clients.

The Adviser's complete proxy voting policy and procedures are memorialized in writing and are available for review by clients or investors upon request. In addition, a record of all proxy votes cast on behalf of clients or investors is available upon request. To receive a copy, please contact Stillwater's Chief Compliance Officer, Lisa Giovannelli at 724-935-6774.

Item 18. Financial Information

Stillwater does not require or solicit prepayment of any fees six months or more in advance, has never filed for bankruptcy and does not have any financial conditions that would impair its ability to meet contractual commitments to clients.