

# Silver Ridge Asset Management US LP

## Part 2A of Form ADV

### The Brochure

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This brochure provides information about the qualifications and business practices of Silver Ridge Asset Management US LP (“Silver Ridge Asset Management US” or the “Company”). If you have any questions about the contents of this brochure, please contact Anil Joshi, Chief Compliance Officer at (+44) (0)20 7429 2121. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority.

Additional information about Silver Ridge Asset Management US is also available on the SEC’s website at: [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

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### **Item 3:     Material Changes**

Silver Ridge Asset Management US has no material changes to report since its last Form ADV Part 2A filing in March 2017.

## **Item 4: Advisory Business**

Silver Ridge Asset Management US LP (“Silver Ridge Asset Management US”) was founded together with its affiliate Silver Ridge Asset Management UK LLP (“Silver Ridge Asset Management UK” and collectively with Silver Ridge Asset Management US and all other affiliates “Silver Ridge”) in September 2014 by Anil Prasad and Farhang Mehregani. Silver Ridge provides discretionary investment advisory services to private investment vehicles as defined below, which are intended for institutional investors. Silver Ridge Asset Management US has a sub-advisory agreement with Silver Ridge Asset Management UK through which it will provide advisory services and trade execution support to Silver Ridge Asset Management US and certain of its clients. Silver Ridge Asset Management UK is authorized and regulated by the Financial Conduct Authority in the United Kingdom and is a relying adviser to Silver Ridge Asset Management US.

Silver Ridge provides discretionary management and advisory services to privately offered pooled investment vehicles organized according to a Cayman Islands domiciled master-feeder structure, consisting of two feeder funds, the Silver Ridge Macro Onshore Fund LP (“Onshore Feeder”) and Silver Ridge Macro Offshore Fund Ltd (“Offshore Feeder” and collectively with the Onshore Feeder “Feeder Funds”) which each invest substantially all of their assets into the Silver Ridge Macro Master Fund Ltd. (“Master Fund” and collectively with the Feeder Funds “the Funds”). Silver Ridge may also in the future advise segregated account clients.

The Funds launched on January 1, 2016. At the time of this filing, Silver Ridge had \$439,000,000 in assets under management.

## **Item 5: Fees and Compensation**

### **Management Fee**

Investors in the Funds will each pay a fee for management services up to 2.0% per annum of the net asset value. The fee will be paid either monthly or quarterly. Fees charged to segregated client accounts will be negotiable on a client by client basis.

In addition, certain seed or founding investors in the Funds may pay a management fee that is less than 2% and certain investors may negotiate side letters which provide for a lower fee schedule than that outlined herein.

### **Incentive Allocation**

The Offshore Feeder will also pay an incentive allocation of up to 20% of the net realized and unrealized appreciation in the net asset value of the funds and subject to a high water mark as indicated in the private placement memorandum (“PPM”) of the Offshore Feeder. The Onshore Feeder Fund will also pay an incentive fee to Silver Ridge of up to 20% of the net realized and unrealized appreciation in the net asset value of the funds and subject to a high water mark as indicated in the PPM. Incentive fees charged to segregated client accounts will be negotiable on a client by client basis.

In addition, certain seed or founding investors in the Funds will pay incentive compensation that is less than 20% and certain investors may negotiate side letters which provide for lower incentive compensation than that outlined herein.

### **Expenses**

In addition to the fees outlined above, segregated account clients as well as each of the Funds will also bear its own expenses. The Feeder Funds will also bear their pro rata share of the Master Fund’s expenses. These expenses may include, but are not limited to, investment expenses such as brokerage commissions, expenses relating to short sales, clearing and settlement charges, custodial and depositary fees, bank service fees and interest expenses; investment-related travel expenses (which are travel expenses related to the purchase, sale or transmittal of investments incurred by Silver Ridge); professional fees (including expenses of consultants, investment bankers, attorneys, accountants and other experts) relating to investments; fees and expenses relating to software tools, programs or other technology utilized in managing the relevant client account including third-party software licensing, implementation, data management and recovery services and custom development costs); research and market data (including any computer hardware and connectivity hardware (e.g., telephone and fibre optic lines) incorporated into the cost of obtaining such research and market data); administrative expenses (including fees and expenses of the Administrator and other similar service providers); legal expenses; external accounting and valuation expenses (including the cost of accounting software packages); audit and tax preparation expenses; costs related to errors and omissions insurance for Silver Ridge; In addition, the Funds will be responsible for paying the fees of Directors; costs relating to directors'

and officers' liability insurance; costs of printing and mailing reports and notices; entity-level taxes; corporate licensing; regulatory expenses (including filing fees); listing fees; organizational expenses; expenses incurred in connection with the offering and sale of the Funds and other similar expenses related to the Funds; indemnification expenses; and extraordinary expenses.

For a more complete description of the fees and expenses of the Funds, please see the relevant Fund's PPM. Expenses payable by segregated account clients will be outlined in the applicable Investment Management Agreement.

## **Item 6: Performance Based Fees and Side-by-Side Management**

As outlined in Item 5 herein, the Offshore Feeder will pay an incentive allocation and the Onshore Feeder will pay an incentive fee to Silver Ridge, of up to 20% of the net realized and unrealized appreciation in the net asset value of the funds and subject to a high water mark as indicated in the relevant private placement memorandum of each Fund (“PPM”).

The presence of incentive based compensation may create a conflict of interest for Silver Ridge in that it may encourage Silver Ridge to make riskier investments than would otherwise be the case in the absence of such compensation. At present, it is anticipated that all clients of Silver Ridge will be charged an incentive based fee or allocation and therefore there will be no conflicts created by the side by side management of incentive fee paying and non-incentive fee paying clients. In the event that Silver Ridge takes on the management of accounts which do not pay any incentive based fees, it shall adopt policies, procedures, and controls to ensure such accounts are not disadvantaged in the management process.

## **Item 7: Types of clients**

As mentioned previously, Silver Ridge provides discretionary investment management to the Funds. Investments in the Funds are typically constrained by a minimum investment level, as outlined in the relevant fund's PPM. Investments by US persons in the Funds are limited to eligible investors, who meet the "accredited investor" and "qualified purchaser" standards as defined under US securities laws and as further described in the applicable PPM. The investment mandates of the Funds are outlined in the applicable PPM and are nonnegotiable. The Feeder Funds, the Master Fund, and/or Silver Ridge may enter into side letters with certain investors that provide such investors with terms differing from those outlined in the relevant fund's PPM. A summary of side letters and the types of investors that have received them may be provided to all investors via investor disclosures.

The Funds will generally require a minimum investment of \$1million, but may accept lower amounts at the sole discretion of Silver Ridge.

Silver Ridge has entered into an agreement with a Seed Investor, which provides that the Seed Investor will make a substantial capital contribution to the Funds and in return will receive certain economic interests, notice, approval, consent, information and other rights and terms which differ from other investors, including increased transparency and fee discounts. Furthermore, the Seed Investor will be entitled to receive a portion of the management fee and incentive allocations received by Silver Ridge and paid by investors in the Funds. This arrangement may diminish the alignment of rights of the Seed Investor with other investors in the Funds.

Silver Ridge may also provide services to individual clients on a separate account basis. Segregated mandates will be tailored under the terms of the applicable investment management agreement as negotiated with a given client.



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

Silver Ridge's primary investment objective is to seek profit from price and volatility movements in the global financial markets across all asset classes. Silver Ridge will attempt to achieve its investment objective by investing in assets which will include, without limitation, bonds and related instruments; foreign exchange and related instruments; money market instruments; swaps; futures; equities, options on all asset classes; other derivative instruments; financing transactions; and other transferable securities.

The Master Fund is a global macro absolute return vehicle and its performance is generated by the active management of the investable assets of the Master Fund and all the risks associated with those assets. The investment policy is based on the observation that global financial markets are becoming increasingly interconnected and investors must capitalize on opportunities presented across all global markets. Accordingly, the Master Fund seeks to identify profit opportunities across a broad spectrum of asset classes in various geographical locations. Profit opportunities exist for short term opportunistic trading and longer term thematic investing. The Master Fund will seek to maintain a diversified portfolio providing exposure across geographies and strategies.

Investing in Silver Ridge's Funds involves a risk of loss that investors must be prepared to bear. The risk inherent to the strategies employed by Silver Ridge, including those listed below, are described in further detail in the respective Fund's PPM.

### **Risk Factors**

Limited Liquidity. An investment in the Master Fund provides limited liquidity since the Shares are not freely transferable and a Shareholder's right to redeem is subject to the terms and restrictions set forth in the PPM (including any supplement thereto), the Articles and the Subscription Agreement. The Master Fund may invest a portion of its assets in financial instruments that are not publicly traded. The Master Fund may not be able to readily dispose of such non-publicly traded financial instruments and, in some cases, may be contractually prohibited from disposing of such instruments for a specified period of time. Accordingly, the Master Fund may be forced to sell its more liquid positions at a disadvantageous time, resulting in a greater percentage of the portfolio consisting of illiquid assets. The Master Fund may also suspend the redemption rights of the Shareholders. An investment in the Master Fund is suitable only for sophisticated investors who do not require immediate liquidity for their investment.

Amendment of Redemption Rights. Pursuant to the terms of the Articles, Shareholders that are entitled to vote and have in excess of two-thirds of each class of Shares may approve any amendment to the Articles that would restrict the redemption rights of all Shareholders holding Shares of such class. Accordingly, the redemption rights of any Shareholder as described herein and as set forth in the Articles are subject to change at any time. Redemption rights that may be affected include, without limitation, the notice period for redemptions, the frequency of redemptions and the time and mechanism that the Master Fund may require to pay redemptions proceeds (including the implementation of a so-called "slow pay" mechanism for liquidating

assets of the Master Fund that are impaired, illiquid and/or hard to value). In addition, in the event that affiliates of Silver Ridge Shareholders that are entitled to vote and have in excess of two-thirds of each class of Shares, such affiliates would be able to change the redemption rights of a minority of Shareholders without their consent. The amendment of the redemption rights of all Shareholders could adversely affect the value of a non-consenting Shareholder's Shares if the value of the Master Fund's investments depreciate following the time such Shareholder would have redeemed all or a portion of its Shares, but was prevented from doing so by the new, more restrictive redemption rights.

Possible Adverse Effects of Substantial Redemptions. In the event that there are substantial redemptions of Shares within a limited period of time, Silver Ridge may find it difficult to adjust its asset allocation and trading strategies to the suddenly reduced amount of assets under management. Under such circumstances, in order to provide funds to pay redemptions, the Silver Ridge US may be required to liquidate positions of the Master Fund at an inopportune time or on unfavourable terms, resulting in lower net assets for the remaining Shareholders and a lower redemption price for the redeeming Shareholders. The Board of Directors may elect to cause the redemption of all Shares and liquidate the Master Fund at any time if, in its view, continued operation of the Master Fund would be impracticable or imprudent for any reason, including if the amount of the Master Fund's assets declines to a significant extent.

Availability of Credit; Financing Arrangements; Market Value Borrowings and Derivatives. As a general matter, the banks and dealers that provide financing to the Master Fund can apply essentially discretionary margin, "haircut" financing as well as financial instrument and collateral valuation policies. Changes by banks and dealers in such policies, or the imposition of other credit limitations or restrictions, whether due to market circumstances or government, regulatory or judicial action, may result in large loss of financing, margin calls, forced liquidations of positions at disadvantageous prices, termination of swap and repurchase agreements and cross-defaults to agreements with other dealers. Any such adverse effects may be exacerbated in the event that such limitations or restrictions are imposed suddenly and/or by multiple market participants. The imposition of any such limitations or restrictions could compel the Master Fund to liquidate all or part of its portfolio at disadvantageous prices, perhaps leading to a complete loss of the Master Fund's investments.

In general, the anticipated use of margin borrowings and other borrowings based on the market value of the portfolio and derivatives which require the Master Fund to post margin results add certain additional risks to the Master Fund. For example, should the assets pledged to brokers to secure the Master Fund's margin accounts decline in value, the Master Fund could be subject to a "margin call," pursuant to which the Master Fund must either deposit additional funds or assets with the broker or suffer mandatory liquidation of the pledged assets to compensate for the decline in value. In the event of a sudden drop in the value of the Master Fund's portfolio, the Master Fund might not be able to liquidate investments quickly enough to satisfy their margin requirements or may be required to close out positions at losses, which if the Master Fund had continued to hold would have been profitable.

Liquidity Risks Generally. Liquidity is important to the Master Fund's businesses. Under certain market conditions, such as during volatile markets or when trading in a financial instrument or

market is otherwise impaired, the liquidity of the Master Fund's portfolio positions may be reduced. In addition, the Master Fund may from time to time hold large positions with respect to a specific type of financial instrument, which may reduce the Master Fund's liquidity. During such times, the Master Fund may be unable to dispose of certain investments, including longer-term investments, which would adversely affect its ability to rebalance its portfolios or to meet redemption requests. In addition, such circumstances may force the Master Fund to dispose of investments at reduced prices, thereby adversely affecting its performance. If there are other market participants seeking to dispose of similar financial instruments at the same time, the Master Fund may be unable to sell such investments or prevent losses relating to such investments. Furthermore, if the Master Fund incurs substantial trading losses, the need for liquidity could rise sharply while its access to liquidity could be impaired. In addition, in conjunction with a market downturn, the Master Fund's counterparties could incur losses of their own, thereby weakening their financial condition and increasing the Master Fund's credit risk to them.

Counterparty Risk. Some of the markets in which the Master Fund may effect transactions are not "exchange-based," including "over-the-counter" or "interdealer" markets. The participants in such markets are typically not subject to the credit evaluation and regulatory oversight to which members of "exchange-based" markets are subject. The lack of evaluation and oversight of over-the-counter markets exposes the Master Fund to the risk that a counterparty will not settle a transaction in accordance with its terms and conditions because of a dispute over the terms of the contract (whether or not *bona fide*) or because of a credit or liquidity problem, thus causing the Master Fund to suffer a loss. Such "counterparty risk" is accentuated for contracts with longer maturities where events may intervene to prevent settlement, or where the Master Fund has concentrated its transactions with a single or small group of counterparties. Generally, the Master Fund will not be restricted from dealing with any particular counterparties. Silver Ridge US's evaluation of the creditworthiness of its counterparties may not prove sufficient. The lack of a complete and "foolproof" evaluation of the financial capabilities of the Master Fund's counterparties and the absence of a regulated market to facilitate settlement may increase the potential for losses by the Master Fund.

Counterparty Default. The stability and liquidity of over-the-counter derivative transactions depend in large part on the creditworthiness of the parties to the transactions. It is expected that the Master Fund will monitor on an on-going basis the creditworthiness of firms with which it will enter into over-the-counter derivative transactions. If there is a default by the counterparty to such a transaction, the Master Fund will under most normal circumstances have contractual remedies pursuant to the agreements related to the transaction. However, exercising such contractual rights may involve delays or costs which could result in the net asset value of the Master Fund being less than if the Master Fund had not entered into the transaction. Furthermore, there is a risk that any of such counterparties could become insolvent and/or the subject of insolvency proceedings. If one or more of the Master Fund's counterparties were to become insolvent or the subject of insolvency proceedings, there exists the risk that the recovery of the Master Fund's assets from such prime broker or broker-dealer will be delayed or be of a value less than the value of the assets originally entrusted to such prime broker or broker-dealer. Investors should assume that the insolvency of any counterparty would result in a loss to the Master Fund, which could be material.

Leverage; Borrowing for Operations. Leverage is a fundamental component to the Master Fund's investment and trading strategies, and certain such strategies cannot be successful without the use of a substantial amount of leverage. Leverage may take the form of, among other things, any of the financial instruments described herein, including, derivative instruments which are inherently leveraged and trading in products with embedded leverage such as options, short sales, swaps and forwards. The use of leverage will allow the Master Fund to make additional investments, thereby increasing its exposure to assets, such that its total assets may be greater than its capital, however, leverage will also magnify the volatility of changes in the value of the Master Fund's portfolio. The effect of the use of leverage by the Master Fund in a market that moves adversely to its investments could result in substantial losses to the Master Fund, which would be greater than if the Master Fund were not leveraged. In addition, the Master Fund will have the authority to borrow money for cash management purposes and to meet redemptions that would otherwise result in the premature liquidation of its investments. The level of interest rates generally, and the rates at which the Master Fund can borrow particularly will affect the operating results of the Master Fund. The amount of borrowings and leverage which the Master Fund may have outstanding at any time may be substantial in relation to its capital.

The instruments and borrowings utilised by the Master Fund to leverage investments may be collateralised by the Master Fund's portfolio. Accordingly, the Master Fund may pledge its financial instruments in order to borrow or otherwise obtain leverage for investment or other purposes. Should the financial instruments be pledged to brokers to secure the Master Fund's margin accounts decline in value, the Master Fund could be subject to a "margin call", pursuant to which the Master Fund must either deposit additional funds or financial instruments with the broker or suffer mandatory liquidation of the pledged financial instruments to compensate for the decline in value. The banks and dealers that provide financing to the Master Fund can apply essentially discretionary margin, haircut, financing and collateral valuation policies. Changes by banks and dealers in any of the foregoing may result in large margin calls, loss of financing and forced liquidations of positions at disadvantageous prices. There can be no assurance that the Master Fund will be able to secure or maintain adequate financing.

**The foregoing list of risk factors does not purport to be a complete enumeration or explanation of the risks involved in an investment in the Master Fund. Prospective Shareholders should read the Master Fund's entire Private Placement Memorandum and the Articles and consult with their own advisers before deciding whether to invest in the Master Fund. In addition, as the Master Fund's investment program develops and changes over time, an investment in the Master Fund may be subject to additional and different risk factors.**

**Item 9: Disciplinary Information**

While not responsive to the disclosures required by this Item 9, we do note that between 2007 and 2014 Anil Prasad held numerous global executive positions with Citibank, N.A. In 2014, Citibank settled actions in the United States and the United Kingdom relating to activities by employees of a business unit of Citibank that indirectly reported to Mr. Prasad. Mr. Prasad never directly supervised or was otherwise involved in any of these activities and has not been the subject of any related past or pending regulatory action or proceeding.

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

Neither Silver Ridge nor any of its management personnel are registered with, or have an application pending to register, as a broker-dealer or a registered representative of a broker-dealer.

Silver Ridge Asset Management US is registered as a Commodity Pool Operator with the CFTC. In addition, as mentioned previously, Silver Ridge Asset Management UK LLP is an FCA authorized investment adviser affiliated with Silver Ridge Asset Management US and appointed as a sub-advisor to the Funds.

Silver Ridge Asset Management GP Limited, a Cayman Islands Limited Corporation that serves as the general partner to the Offshore Feeder and Master Fund, and Silver Ridge Asset Management LP, a Cayman Islands based limited partnership which serves as the Manager to Offshore Feeder Fund, are also affiliates of Silver Ridge Asset Management US. Furthermore, Silver Ridge Asset Management LP is also registered as a Commodity Pool Operator with the CFTC.

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

Silver Ridge has adopted a Code of Ethics and Conflicts of Interest Policy and Procedures which, among other things, contains provisions designed to (i) prevent improper personal trading by employees; (ii) prevent improper use of material, non-public information about securities recommendations made by Silver Ridge or securities holdings of advisory clients and (iii) identify conflicts of interest, including monitoring of pay-to-play issues that could arise due to political donations by Silver Ridge or its personnel. These policies and procedures are contained in Silver Ridge's Compliance Manual. Silver Ridge will provide a copy of the Code of Ethics free of charge to any client, investor or prospective client or investor upon request.

Silver Ridge's supervised persons are permitted to invest in their personal trading accounts, subject to certain restrictions, and may in certain circumstances invest in the same or related securities as Silver Ridge recommends to its clients, including doing so at or about the same time as the client transaction is effected. In order to reduce certain conflicts of interest that may arise between client accounts and the personal trading activities of Silver Ridge's supervised persons, Silver Ridge has adopted a personal trading policy (contained in the Code of Ethics). The personal trading policy, among other things, prohibits certain types of transactions, requires preclearance of certain transactions and requires reporting of all transactions in and holdings of "reportable securities" where required by the SEC.

## **Item 12: Brokerage Practices**

### **Soft Dollars**

Silver Ridge is authorized to determine the brokers or dealers to be used for each securities transaction for the Master Fund. Silver Ridge does not anticipate engaging in Soft Dollar or Commission Sharing Agreements at this time.

However, in the future, if Silver Ridge determines to enter into such agreements, the Firm will operate within the safe harbor provided by Section 28(e) of the US Securities Exchange Act of 1934, as amended.

Section 28(e) of the Securities Exchange Act of 1934, as amended (the “Exchange Act”), is a “safe harbor” that permits an investment manager to use commissions or “soft dollars” to obtain research and brokerage services that provide lawful and appropriate assistance in the investment decision-making process. Research services are defined as the furnishing of advice as to the value of securities, the advisability of investing in, purchasing, or selling securities, and the availability of securities or purchasers or sellers of securities; or the furnishing of analyses and reports concerning issuers, industries, securities, economic factors and trends, portfolio strategy, and the performance of accounts. The SEC has generally stated that research services must reflect the expression of reasoning or knowledge.

Research services within Section 28(e) may include, but are not limited to, research reports (including market research); certain financial newsletters and trade journals; software providing analysis of securities portfolios; corporate governance research and rating services; attendance at certain seminars and conferences; discussions with research analysts; meetings with corporate executives; consultants’ advice on portfolio strategy; data services (including services providing market data, company financial data and economic data); advice from broker-dealers on order execution; and certain proxy services. Brokerage services are defined as effecting securities transactions and performing functions incidental thereto (such as clearance, settlement and custody) or required in connection therewith by rules of the SEC or a self-regulatory organization. Brokerage services within Section 28(e) may include, but are not limited to, connectivity services between an adviser and a broker-dealer and other relevant parties such as custodians; trading software operated by a broker-dealer to route orders; software that provides trade analytics and trading strategies; software used to transmit orders; clearance and settlement in connection with a trade; electronic communication of allocation instructions; routing settlement instructions; post trade matching of trade information; and services required by the SEC or a self-regulatory organization such as comparison services, electronic confirms or trade affirmations. Silver Ridge will limit the use of “soft dollars” to obtain research and brokerage services within the meaning of Section 28(e).

### **Research**

To the extent that Silver Ridge uses third party investment research, it will do so consistent with guidance from the SEC and the European Commission regarding acceptable methods to pay for



investment research under legislation in the European Union known as the Markets in Financial Instruments Directive (MiFID II), which came into effect on January 3, 2018. In this regard, research may be received in return for direct payments made by Silver Ridge out of its own resources or by payments from a separate research payment account (“RPA”) funded by Clients and controlled by the Firm. If funds in the RPA are insufficient to pay for necessary research, the Firm will pay for the research from its own resources.

### **Brokerage Arrangements and Best Execution**

The Master Fund reserves the right, in its discretion, without prior notice to, or receiving consent from, existing investors, to change the prime brokerage and custodian arrangements including, but not limited to, the appointment of additional or alternative prime brokers and/or custodians.

Although Silver Ridge seeks competitive commission rates, it will not necessarily pay the lowest commission rate available. Transactions, in particular in emerging markets, may involve specialized services on the part of a broker-dealer, which may justify higher commissions than would be the case for more routine services elsewhere. In addition, the diversity in those markets and instruments and the kind of orders that may be placed mean that different factors may have to be taken into account when Silver Ridge assesses the application of this policy in the context of different instruments and different markets. For example, there is no formal market or settlement infrastructure for over-the-counter transactions. In some markets, price volatility may mean that the timeliness of execution is a priority, whereas, in other markets that have low liquidity, the fact of execution may itself constitute best execution. In other cases, Silver Ridge’s choice of broker or execution venue may be limited (*e.g.*, there may only be one platform/market upon which it can execute an order) because of the nature of the client’s requirements.

Credit Suisse Group AG (“CSG”), through certain affiliates, indirectly owns a passive, minority ownership interest in certain of the entities that are, collectively, the Seed Investor. CSG, through certain affiliates, also owns the brokerage entities retained by the Master Fund to provide prime brokerage services. Neither CSG nor any of its affiliates is involved in the day-to-day management of, or has any decision-making authority with respect to, the Seed Investor, and neither CSG, its affiliates, nor the Seed Investor, has any involvement in the day-to-day management of the Master Fund. All contractual arrangements between the Master Fund and the prime brokers retained by them have been negotiated on an arm’s length basis at current market rates.

### **Trade Allocation**

It is the policy of the Silver Ridge to allocate investment opportunities fairly and equitably over time. This means that such opportunities will generally be allocated among those accounts for which participation in the respective opportunity is considered appropriate, taking into account, among other considerations (a) whether the risk-return profile of the proposed investment is consistent with the account's objectives; (b) the potential for the proposed investment to create an imbalance in the account's portfolio; (c) liquidity requirements; (d) potentially adverse tax consequences; (e) regulatory restrictions that would or could limit an account's ability to

participate in a proposed investment; and (f) the need to re-size risk in the account's portfolio. Such considerations may result in allocations among the Master Fund and/or one or more other accounts on other than a pari passu basis. In certain circumstances, investment opportunities will be allocated solely to the client, fund or account with respect to which the opportunity has been generated.

### **Cross Trading**

As a result of subscriptions or redemptions and the change in the value of the Master Fund's assets in any month, Silver Ridge may adjust, to the extent practicable, the exposure levels of the Master Fund and other accounts which may follow the same investment strategy as the Master Fund to instruments in their respective portfolios at the beginning of each month in order to maintain the exposures desired by Silver Ridge. Such adjustments may be effected by purchases and sales in the market or by a transfer from the Master Fund to another account, or vice versa (a "Cross-Transaction"). A Cross-Transaction may be effected if the Silver Ridge determines the transaction to be in the best interests (and consistent with the investment program, risk management and other relevant considerations) of both the Master Fund and the other account. Generally, the relevant asset will be transferred at a price equal to its market price on the transfer date.

### **Trade Errors**

Silver Ridge will seek to detect trade errors prior to settlement and promptly correct and mitigate any Trade Error Losses. If an indemnified party (or broker or agent of the Master Funds or the selected, engaged or retained by such indemnified party) is entitled to exculpation pursuant to the IMA in connection with the acts or omissions that result in any trade error loss, such loss will be borne directly out of the assets of the Master Funds, as applicable. Silver Ridge will evaluate each trade error to determine whether a particular loss must be paid for by the Master Funds. To the extent that a trade error is caused by a counterparty of the Master Fund, such as a broker or agent, Silver Ridge will seek to recover any related losses from such counterparty. Silver Ridge in its sole discretion may offset any trade error income with trade error losses.

### **Directed Brokerage**

Subject to its obligation to seek best execution, Silver Ridge may consider referrals of investors to the Master Funds, and requests by investors to direct brokerage, in determining its selection of brokers. However, Silver Ridge will not commit to an investor or broker to allocate a particular amount of brokerage in any such situation.

### **Premises**

Silver Ridge Asset Management US rents office space in New York City and receives certain related facilities and support services from an investment firm that provided seed capital and is a current investor in the Funds. Silver Ridge Asset Management US does not believe that this rental

arrangement has resulted in any actual conflicts of interest but has adopted procedures to monitor the arrangement and address any potential conflicts that arise in the future.

### **Item 13: Review of Accounts**

Clients' accounts will be monitored closely, and will be formally reviewed at least weekly at risk committee meetings.

Investors in the Funds will receive annual audited financial reports based on US generally accepted accounting principles ("US GAAP") as well as reasonably necessary tax related information, directly from the administrator. The administrator also provides investors with interim and year-end financial statements and a monthly statement.

Investors will also receive a variety of other written reports on a regular basis. Such reports provided by Silver Ridge include a monthly investor letter and quarterly transparency reporting. Certain investors may also receive customized reporting that is not available to other investors in the Funds via side letter agreements.

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

Brokers may assist the Funds in raising additional funds from investors. In addition, from time to time, an investor may request that Silver Ridge Asset Management US or their affiliates direct brokerage to a broker affiliated with an adviser to the investor who had recommended that the investor invest in the Funds. Subject to best execution, Silver Ridge may take such requests into account but will not commit to directing brokerage transactions to any party in any such situations.

## **Item 15: Custody**

Silver Ridge does not take or maintain physical custody of any client cash or securities and conducts all business operations such that client cash and securities are preserved in the safekeeping of an independent custodian. Clients receiving statements directly from such custodians should carefully review those statements and should carefully compare such statements to any reports sent by Silver Ridge.

Silver Ridge and/or its affiliates may be deemed to have custody of the funds and securities of the Funds by virtue of its relationship to the manager or general partner of the Funds. To ensure compliance with Rule 206(4)-2 under the Advisers Act, the Funds are subject to an annual audit in accordance with generally accepted auditing standards and the audit reports are issued in accordance with US GAAP by an independent public accountant registered with and subject to regular inspection by the Public Company Accounting Oversight Board. The relevant audited financial statements are distributed to each investor via the administrator within 90 days of the Funds' fiscal year end as required in accordance with CFTC regulations. In addition, the Funds are subject to audit upon liquidation and the liquidation audit is provided to investors promptly after its completion.

## **Item 16: Investment Discretion**

In accordance with the terms and conditions of the pertinent Fund PPM and governing documents and any pertinent IMA and subject to any investment restrictions, Silver Ridge Asset Management US generally has discretionary authority to determine, without obtaining specific consent from the clients, their directors or investors, the securities, other financial instruments and the amounts to be bought or sold thereof on behalf of the client accounts, and to implement the day-to-day investment decisions for client accounts.

Investors in the Funds do not have the ability to impose limitations on Silver Ridge Asset Management US's discretionary authority.

## **Item 17: Voting client Securities**

Silver Ridge has adopted a proxy voting policy as required by the Advisers Act. The policy provides that Silver Ridge will act in the best interests of its clients when determining if and how to vote proxies of client securities. Proxy voting is an important right of shareholders and reasonable care and diligence must be undertaken to ensure that such rights are properly and timely exercised.

Silver Ridge's proxy voting policy includes guidelines to follow when Silver Ridge receives proxies, how these proxies are documented and the determination for how such proxies shall be voted. The proxy voting policy also includes guidelines for the Chief Compliance Officer to follow if a material conflict of interest arises between Silver Ridge or its employees and its clients to ensure that such conflict is resolved in the best interest of the clients. In such cases, Silver Ridge will always vote in the best interests of its clients, even if such vote conflicts with Silver Ridge's own interests.

Silver Ridge's proxy voting policy and procedures are available for review. In addition, its proxy voting record is available to Fund investors.



## **Item 18: Financial Information**

Silver Ridge does not have a financial condition that is likely to impair its ability to meet contractual commitments to clients.