

Part 2A of Form ADV The Brochure

One Tusk Investment Partners LP
250 West 55th Street, 16th Floor
New York, NY 10019
(212) 468-5212

March 30, 2017

This brochure provides information about the qualifications and business practices of One Tusk Investment Partners LP (hereinafter, “One Tusk” or the “Adviser”). If you have any questions about the contents of this brochure, please contact Daniel Mandelbaum at (212) 468-5212. 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.

The Adviser is a registered investment adviser. Registration of an Investment Adviser does not imply any level of skill or training. The oral and written communications of an Adviser provide you with information about which you determine to hire or retain an Adviser.

Additional information about the Adviser also is available on the SEC’s website at www.adviserinfo.sec.gov. You can search this site by a unique identifying number, known as a CRD number. The CRD number for the Adviser is 282876.

Material Changes

One Tusk is required to identify and discuss any material changes that have been made to this brochure since its initial filing on September 19, 2016. One Tusk amended Items 4 and 6 to reflect updated disclosures, including regarding fund expenses. One Tusk amended Item 7 to reflect the fact that on November 1, 2016, the Partnership, Managing Member, and certain related parties entered into an agreement with HS Group Ltd. and certain of its affiliates, whereby HS Group Ltd. made a significant investment in the Master Fund.

We encourage investors and prospective investors to review the entirety of this brochure, including the changes to these sections.

Item 3 – Table of Contents

Material Changes	2
Item 3 – Table of Contents	3
Item 4 – Advisory Business	4
Item 5 – Fees and Compensation	4
Item 6 – Performance-Based Fees and Side-By-Side Management	7
Item 7 – Types of Clients	7
Item 8 – Methods of Analysis, Investment Strategies and Risk of Loss	7
Item 9 – Disciplinary Information	25
Item 10 – Other Financial Industry Activities and Affiliations	25
Item 11 – Code of Ethics, Participation in Client Transactions and Personal Trading	25
Item 12 – Brokerage Practices	27
Item 13 – Review of Accounts	29
Item 14 – Client Referrals and Other Compensation	30
Item 15 – Custody	30
Item 16 – Investment Discretion	30
Item 17 – Voting Client Securities	30
Item 18 – Financial Information	31

Item 4 – Advisory Business

One Tusk Investment Partners LP (“One Tusk” or the “Adviser”), a Delaware limited partnership, is an investment adviser with its principal place of business in New York, New York. The Adviser is majority owned by the founding partner and principal owner, Wai-Yen Vivian Lau.

One Tusk Investment Partners GP LLC is a Delaware limited liability company that serves as the general partner to the Adviser (the “General Partner”). The managing member of the General Partner is Wai-Yen Vivian Lau (the “Managing Member”). The Adviser provides investment advisory services on a discretionary basis to clients that are pooled investment vehicles including (i) One Tusk Partners Fund LP, a Delaware limited partnership, (ii) One Tusk International Fund Ltd, a Cayman Islands exempted company, (iii) One Tusk Master Fund LP, a Cayman Islands limited partnership that acts as the master fund (the “Master Fund”) and (iv) One Tusk Intermediate Fund LP, a Cayman Islands limited partnership (each a “Fund” or “Client” and, collectively, the “Funds” or “Clients”). Please see Item 8 for a description of the investment strategies employed by One Tusk and certain material risks inherent in such strategies.

One Tusk’s investment advice is subject to each Fund’s investment objectives and guidelines, as set forth in each Fund’s respective offering documents and is not subject to modification by individual investors.

One Tusk does not currently offer investment advisory services to separately managed accounts or other services tailored to the needs of individual investors, although One Tusk may provide such investment advisory services in the future.

One Tusk does not participate in wrap free programs.

As of December 31, 2016, One Tusk had approximately \$130,500,000 in assets under management.

Item 5 – Fees and Compensation

The fees and allocations applicable to the Funds are set forth in detail in the applicable Fund’s confidential private offering memorandum. A brief summary of those fees and allocations is provided below.

Funds

One Tusk receives a fixed fee (the “Asset-Based Fee”) from the Funds based on net assets under management at a rate ranging between 1 and 1.5% per annum. The fixed fee is payable in advance at the beginning of each calendar quarter based on the value of the net assets of the Funds as of the first day of such quarter.

In addition, the General Partner receives performance-based compensation at a rate ranging between 15% and 20% (depending on the applicable class of shares or series of

interests) of the feeder funds' net profits, if any, subject to a "loss carryforward" provision (the "Incentive Allocation").

Capped Expenses

Legal & Organizational Expenses

The Funds will bear their attributable share (which may be the pro rata share based on capital) of legal and other organizational expenses incurred in the formation of the respective Fund, including all expenses relating to the initial and on-going offer and sale of interests and the on-boarding of any limited partner (including all expenses associated with negotiating side letters and other agreements with limited partners and prospective limited partners), as well as all expenses relating to the operations of the respective Fund in one or more jurisdictions.

Operating & Other Expenses

The Funds will bear their attributable share (which may be the pro rata share based on capital) of any operating and other expenses, including, but not limited to, research-related expenses, including, without limitation, news and quotation equipment and services, market data services, fees to third-party providers of research and/or portfolio risk management services expenses, including such expenses incurred prior to the commencement of the respective Fund's operations in anticipation of its commencement of operations, legal expenses (including with respect to litigation and threatened litigation, if any), any expenses associated with regulatory filings made in connection with the Fund's operations and portfolio holdings (e.g., filings with the SEC, including Form PF and expenses related to the offering and sale of interests in compliance with the Directive 2011/61/EU on Alternative Investment Fund Managers, but excluding the preparation of Form ADV or Form CPO-PQR), expenses related to the maintenance of the Funds' registered office and corporate services provider, corporate licensing, costs relating to communications with investors (including maintenance of the website for the benefit of investors), accounting, audit and tax advice and preparation expenses (including preparation costs of financial statements, tax returns, reports to the limited and general partners, and Schedule K-1s), middle- and back-office services and printing and mailing costs, market information systems and computer software and information expenses, fees for pricing, data and exchange services, valuation firms and financial modeling services, the costs and expenses of third-party P&L or risk analytics, order, trade, and commission management products and services (including, without limitation, the costs of risk management and trading software or database packages), Bloomberg data and interface fees and user license fees of the investment professionals, insurance costs (including, without limitation, directors' and officers' liability or other similar insurance policies, errors and omissions insurance and other similar policies for the benefit of the Funds; provided, that the One Tusk Funds shall not in the aggregate bear more than 50% of the cost of any errors and omissions insurance), filing and registration fees (e.g., blue sky and corporate filing fees and expenses), fees relating to the administration of the Funds (including fees to the administrator), directors' fees or fees

paid to any independent investor representative (as set forth in the relevant governing documents) and other similar expenses related to the One Tusk Funds.

Uncapped Expenses

In addition, the Funds will bear “Uncapped Expenses” consisting of the attributable share (which may be the pro rata share based on capital) of investment-related expenses (e.g., brokerage commissions, expenses relating to short sales (including dividend expenses), clearing and settlement charges, custodial fees, interest expenses, initial and variation margin, broken deal expenses and other transactional charges, fees or costs, legal and other professional fees relating to particular investments or contemplated investments), the Asset-Based Fee, any extraordinary expenses (including indemnification or litigation expenses and any judgments or settlements paid in connection therewith), all other costs and expenses arising out of the Funds’ indemnification obligations, any and all taxes (including entity-level taxes) and governmental fees or other charges payable by or with respect to or levied against the Funds, their investments, or to Federal, state or other governmental agencies, domestic or foreign, including real estate, stamp or other transfer taxes and expenses related to complying with Sections 1471 to 1474 of the U.S. Internal Revenue Code of 1986, as amended, wind-up and liquidation expenses and other similar expenses related to the One Tusk Funds (i.e., expenses that are similar in type and nature to the expenses described above, and any expenses determined by the General Partner to be primarily related to providing the proper infrastructure for the General Partner and the Investment Manager in connection with the Funds’ investments and operations; for instance, fees and expenses relating to the installation, servicing and maintenance of, and consulting with respect to, information technology items that primarily serve the Adviser’s investment and accounting professionals in connection with the Funds’ investments).

Expense Cap

If, during any fiscal year, the expenses of the Funds, with the exception of the Uncapped Expenses (and the Incentive Allocation), exceed 2.5% of the average net asset value of the Funds during such fiscal year (the “Expense Cap”), then the amount of such expenses in excess of the Expense Cap (the “Excess Expenses”) shall be borne by the Adviser in the first instance.

If, however, during any of the three fiscal years following the incurrence of an Excess Expense, the amount of expenses borne by the Funds during any such fiscal year is less than the Expense Cap, the Funds shall reimburse the Adviser for any Excess Expenses paid by it but only to the extent that will not cause the Funds’ expenses during such fiscal year to be in excess of the Expense Cap.

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

As described in Item 5 above, the General Partner, an affiliate of the Adviser, may receive an Incentive Allocation from the Funds or at any other level that the General Partner deems appropriate, based on the realized and unrealized net capital appreciation, if any, of the Funds, and accordingly the amount of the Incentive Allocation will increase with regard to unrealized appreciation, as well as realized gains. Accordingly, an Incentive Allocation may be made in respect of unrealized gains which may subsequently never be realized. The Incentive Allocation may also create an incentive for the Adviser to cause the Fund to make investments that are riskier or more speculative than would be the case in the absence of a special allocation based on the performance of the Fund.

Please see Item 11 and Item 12 for a description the Adviser's order aggregation and allocation policies and procedures.

Item 7 – Types of Clients

The Adviser provides investment advisory services on a discretionary basis to Clients that are pooled investment vehicles (including the Funds), which are intended for institutional investors, fund of funds, high net worth individuals and other sophisticated investors.

Generally investors are required to invest a minimum of \$5,000,000 in a given Fund.

The Partnership, Managing Member, and certain related parties have entered into an agreement with HS Group Ltd. and certain of its affiliates (collectively, the "Strategic Investor," and such agreement, the "Strategic Investor Agreement"), whereby the Strategic Investor has made a significant investment in the Master Fund as of November 1, 2016. The Strategic Investor contributed a significant sum of capital to the Partnership, on certain terms not offered to other Partnership investors. Such terms, which govern the Strategic Investor's i) asset-based fees, and ii) redemption/liquidity rights, may be more favorable than those offered to other Partnership investors. The Strategic Investor has no rights with respect to the operation of the Partnership or the General Partner.

The General Partner retains the discretion to waive certain terms governing the Managing Member's redemption of her investment in the Partnership

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

Risks Associated With Investments in Financial Instruments. Any investment in financial instruments carries market risks. An investment in the Funds is highly speculative and involves a high degree of risk due to the nature of the Funds' investments and the strategies to be employed. An investment in the Funds should not in itself be considered a balanced investment program, but rather is intended to provide

diversification in a more complete investment portfolio. Investors should be able to withstand the loss of their entire investment.

Loss of Investment. Investments are exposed to the risk of the loss of capital. The prices of the financial instruments in which the Funds invest may be volatile and market movements as they relate to such financial instruments are difficult to predict. No guarantee or representation is made that the Funds' investment strategies will be successful. In addition, the Funds are expected to use investment techniques such as leverage, short sales, uncovered option transactions and a concentrated portfolio with respect to the financial instruments, among others, which could under certain circumstances magnify the impact of any adverse market or investment developments.

An investment in the Funds should not in itself be considered a balanced investment program, but rather is intended to provide diversification in a more complete investment portfolio. Investors should be able to withstand the loss of their entire investment, as there can be no assurance that the investments made by the Funds will increase in value or that the Funds will not incur significant losses.

Flexible and Opportunistic Investment Approach. The Adviser has broad investment authority, and may trade in any type of security, issuer or group of related issuers, country, region and sector that it believes will help the Funds achieve their investment objective. Additionally, the strategies that the Adviser may pursue for the Funds are not limited to the strategies described herein; furthermore, such strategies may change and evolve materially over time. The Adviser has broad latitude with respect to the management of the Funds' risk parameters. The Funds are subject neither to formal diversification policies limiting the Funds' portfolio investments nor to formal leverage policies limiting the leverage to be used by the Funds. The Adviser will opportunistically implement whatever strategies, risk management techniques and discretionary approaches, as well as such other investment tactics, as it believes from time to time may be suited to prevailing market conditions. The Adviser may utilize such leverage, position size, duration and other portfolio management techniques as it believes are appropriate for the Funds.

Prospective investors must recognize that in investing in the Funds, they are placing their capital indirectly under the full discretionary management of the Adviser and authorizing the Adviser indirectly to trade for the Funds using whatever strategies and in such manner as the Adviser may determine. Any of these new investment strategies, techniques, discretionary approaches and investment tactics may not be thoroughly tested before being employed and may have operational or other shortcomings which could result in unsuccessful investments and, ultimately, losses to the Funds. In addition, any new investment strategy, technique and tactic developed by the Funds may be more speculative than earlier investment strategies, techniques and tactics and may involve material and as-yet-unanticipated risks that could increase the risk of an investment in the Funds. There can be no assurance that the Adviser will be successful in applying its approach and there is material risk that an investor may suffer significant impairment or total loss of its capital.

Concentration of Investments; Limited Diversification. The Adviser intends to concentrate a substantial portion of its portfolio in a small number of investments. These positions need not be of equal size and the size of certain of such positions may be significant in relation to the capital of the Funds. Subject to the Adviser's risk framework, in the normal course of making investments on behalf of the Funds, the Adviser may select investments for the Funds that potentially could be concentrated, for example, in a limited number or type of financial instruments or in any one issuer, industry, sector, strategy, emerging market or geographic region. Market conditions may create opportunities within certain investment strategies, which may cause the Adviser to increase the concentration of certain investment strategies. Such concentration of risk may expose the Funds to losses disproportionate to those incurred by the market in general if the areas in which the Funds' investments are concentrated are disproportionately adversely affected by price movements. The Funds could be subject to significant losses if they hold a large position in a particular investment that declines in value or is otherwise adversely affected, including as a result of the default of the issuer and usually will not hedge the Funds' investments.

Liquidity and Market Characteristics. In some circumstances, investments may be relatively illiquid making it difficult to acquire or dispose of them at the prices quoted on the various exchanges or by various dealers. At times it may be difficult to obtain price quotes at all. Accordingly, the Funds' ability to respond to market movements may be impaired and the Funds may experience adverse price movements upon liquidation of its investments. Settlement of transactions may be subject to delay and administrative uncertainties.

Changes in Market Liquidity. The Funds may be adversely affected by a decrease in market liquidity for the instruments in which it invests which may impair the Funds' ability to adjust its positions. The size of the Funds' positions may magnify the effect of a decrease in market liquidity for such instruments. Changes in overall market leverage, deleveraging as a consequence of a decision by the prime brokers and custodians, or other counterparties with which the Funds enter into repurchase/reverse repurchase agreements or derivative transactions, to reduce the level of leverage available, or the liquidation by other market participants of the same or similar positions, may also adversely affect the Funds' portfolios.

Undervalued/Overvalued Securities. One of the key objectives of the Funds is to identify and invest in undervalued and overvalued securities ("misvalued securities"). The identification of investment opportunities in misvalued securities is a difficult task, and there can be no assurance that such opportunities will be successfully recognized. While purchases of undervalued securities and short sales of overvalued securities offer opportunities for above-average capital appreciation, these investments involve a high degree of financial risk and can result in substantial losses. Returns generated from the investments of the Funds may not adequately compensate for the business and financial risks assumed.

"Widening" Risk. For reasons not necessarily attributable to any of the risks enumerated above (for example, supply/demand imbalances or other market forces), the

prices of the financial instruments in which the Funds invest may decline substantially. In particular, purchasing assets at what may appear to be “undervalued” levels is no guarantee that these assets will not be trading at even more “undervalued” levels at a time of valuation or at the time of sale. It may not be possible to predict, or to hedge against, such “spread widening” risk.

Exposure to Material Non-Public Information. From time to time, the Adviser may receive material non-public information with respect to an issuer of publicly traded securities or other financial instruments. In such circumstances, the Funds may be prohibited, by law, policy or contract, for a period of time from (i) unwinding a position in such issuer, (ii) establishing an initial position or taking any greater position in such issuer, and (iii) pursuing other investment opportunities related to such issuer.

Duration of Investment Positions. The Adviser may not know, except in the case of certain options or derivatives positions which have pre-established expiration dates, the maximum – or even the expected (as opposed to optimal) – duration of any particular position at the time of initiation. The length of time for which a position is maintained may vary significantly based on the Adviser’s subjective judgment of the appropriate point at which to liquidate a position so as to augment gains or reduce losses.

Risk of Litigation or Proceedings. The Funds, as independent legal entities, may be subject to lawsuits or proceedings by government entities and private persons in connection with its investment activities. These lawsuits or proceedings may have an adverse effect on the Funds and otherwise involve a substantial commitment of time and significant resources and expenses.

Equity Securities. The Funds invest in equity securities and equity-related security derivatives. The value of these financial instruments generally will vary with the performance of the issuer and movements in the equity markets. As a result, the Funds may suffer losses if it invests in equity instruments of issuers whose performance diverges from the Adviser’s expectations or if equity markets generally move in a single direction and the Funds have not hedged against such a general move. The Funds also may be exposed to risks that issuers will not fulfill contractual obligations such as, in the case of convertible securities or private placements, delivering marketable common stock upon conversions of convertible securities and registering restricted securities for public resale.

Equity Price Risk. The Funds’ investment portfolios will include long and short positions in equity securities of public and private, listed and unlisted companies. Equity securities fluctuate in value in response to many factors, including, among others, the activities and financial condition of individual companies, the business market in which individual companies compete, geographic markets, industry market conditions, interest rates and general economic environments. In addition, events such as the domestic and international political environments, terrorism and natural disasters, may be unforeseeable and contribute to market volatility in ways that may adversely affect investments made by the Funds.

Risks Relating to Distressed Financial Instruments. The Funds may invest in distressed financial instruments (i.e., equity and/or obligations of U.S. and non-U.S. issuers experiencing significant financial or business difficulties, including issuers involved in bankruptcy or other reorganization and liquidation proceedings). Although such investments may result in significant returns to the Funds, they involve a substantial degree of risk. Any one or all of the issuers of such financial instruments may be unsuccessful or not show any return for a considerable period of time. The level of analytical sophistication, both financial and legal, necessary for successful investment in issuers experiencing significant business and financial difficulties is unusually high. There can be no assurance that the Adviser will correctly evaluate the value of an issuer's assets or the prospects for a successful reorganization or similar action. In any reorganization or liquidation proceeding relating to an issuer in which the Funds invest, the Funds may lose their entire investment, may be required to accept cash or financial instruments with a value less than its original investment, and/or may be required to accept payment over an extended period of time. Under such circumstances, the returns generated from the Funds' investments may not compensate the investors adequately for the risks assumed.

Troubled issuer and other asset-based investments require active monitoring and may, at times, require participation in strategy or reorganization proceedings by the Adviser. To the extent that the Adviser, on behalf of the Funds, becomes involved in such proceedings, the Adviser, on behalf of the Funds, may have a more active participation in the affairs of the issuer than that assumed generally by an investor. In addition, involvement by the Adviser in an issuer's reorganization proceedings could result in the imposition of restrictions that limit the Funds' abilities to liquidate its position in the issuer or to hedge its exposure.

Debt Securities. From time to time, the Funds may invest in bonds or other fixed income securities, including, without limitation, commercial paper and "higher yielding" (and, therefore, higher risk) debt securities. It is likely that a major economic recession could disrupt severely the market for such securities and may have an adverse impact on the value of such securities. In addition, it is likely that any such economic downturn could adversely affect the ability of the issuers of such securities to repay principal and pay interest thereon and increase the incidence of default for such securities.

Lower Credit Quality Loans. There are no restrictions on the credit quality of the loans that the Funds may purchase. Loans purchased by the Funds may be deemed to have substantial vulnerability to default in payment of interest and/or principal. Certain of the loans which the Funds may purchase have large uncertainties or major risk exposures to adverse conditions, and may be considered to be predominantly speculative. Generally, such loans offer a higher return potential than better quality loans, but involve greater volatility of price and greater risk of loss of income and principal. The market values of certain of these loans also tend to be more sensitive to changes in economic conditions than better quality loans.

Risks Associated with Bankruptcy Cases. Many of the events within a bankruptcy case are adversarial and often beyond the control of the creditors. While creditors generally

are afforded an opportunity to object to significant actions, there can be no assurance that a bankruptcy court would not approve actions which may be contrary to the interests of the Funds. Furthermore, there are instances where creditors and equity holders lose their ranking and priority as such if they are considered to have taken over management and functional operating control of a debtor. Generally, the duration of a bankruptcy case can only be roughly estimated. The reorganization of a company usually involves the development and negotiation of a plan of reorganization, plan approval by creditors and confirmation by the bankruptcy court. This process can involve substantial legal, professional and administrative costs to the company and the Funds; it is subject to unpredictable and lengthy delays; and during the process the company's competitive position may erode, key management may depart and the company may not be able to invest adequately. In some cases, the company may not be able to reorganize and may be required to liquidate assets. The debt of companies in financial reorganization will in most cases not pay current interest, may not accrue interest during reorganization and may be adversely affected by an erosion of the issuer's fundamental value. Such investments can result in a total loss of principal. Investment in the debt of financially distressed companies domiciled outside the U.S. involves additional risks.

Bankruptcy law and process may differ substantially from that in the U.S., resulting in greater uncertainty as to the rights of creditors, the enforceability of such rights, reorganization timing and the classification, seniority and treatment of claims. In certain developing countries, although bankruptcy laws have been enacted, the process for reorganization remains highly uncertain. U.S. bankruptcy law permits the classification of "substantially similar" claims in determining the classification of claims in a reorganization for purposes of voting on a plan of reorganization. Because the standard for classification is vague, there exists a significant risk that any influence held by an underlying fund with respect to a class of securities can be lost by the inflation of the number and the amount of claims in, or other gerrymandering of, the class. In addition, certain administrative costs and claims that have priority by law over the claims of certain creditors (for example, claims for taxes) may be quite high. Furthermore, there are instances where creditors and equity holders lose their ranking and priority as such when they take over management and functional operating control of a debtor. In those cases where a Fund, by virtue of such action, is found to exercise "domination and control" over a debtor, such Fund may lose its priority if the debtor can demonstrate that its business was adversely impacted or other creditors and equity holders were harmed by such Fund. The Funds may elect to serve on creditors' committees, equity holders' committees or other groups to ensure preservation or enhancement of the Funds' positions as a creditor or equity holder. A member of any such committee or group may owe certain obligations generally to all parties similarly situated that the committee represents. If a Fund concludes that its obligations owed to the other parties as a committee or group member conflict with its duties owed to the fund under its management, it will resign from that committee or group, and such Fund may not realize the benefits, if any, of participation on the committee or group. In addition, and also as discussed above, if a Fund is represented on a committee or group, it may be restricted or prohibited under applicable law from disposing of its investments in such company while it continues to be represented on such committee or group. The Funds may purchase creditor claims subsequent to the commencement of a bankruptcy case. Under judicial

decisions, it is possible that such purchase may be disallowed by the bankruptcy court if the court determines that the purchaser has taken unfair advantage of an unsophisticated seller, which may result in the rescission of the transaction (presumably at the original purchase price) or forfeiture by the purchaser.

Trade Claims. The Funds invest in trade claims and other similar direct obligations or claims against companies in bankruptcy. Trade claims are generally purchased from creditors of the bankrupt company and typically represent money due to a supplier of goods or services to the company. There is no guarantee that the debtor will ever be able to satisfy the obligation on the trade claim.

Short Selling. The Funds engage in short selling of securities. Short selling involves selling securities which may or may not be owned by the seller and borrowing the same securities for delivery to the purchaser, with an obligation to return the borrowed securities to the lender at a later date. Short selling allows the seller to profit from declines in market prices to the extent such decline exceeds the transaction costs and the costs of borrowing the securities and may be an important aspect of certain of the investment strategies of the Funds. A short sale creates the risk of a theoretically unlimited loss, in that the price of the underlying security could theoretically increase without limit, thus increasing the cost to the Funds of buying those securities to cover the short position. There can be no assurance that the securities necessary to cover a short position will be available for purchase at the time a Fund desires to close out such short position. Purchasing securities to close out the short position can itself cause the price of the securities to rise further, thereby exacerbating the loss. In addition, the securities borrowed by a Fund to effect the short sale may be recalled by the lender of those securities at any time, thus forcing such Fund to purchase the securities to close out the short position at a loss.

In response to dislocations in the financial services industry during the financial crisis of 2008 and other market events, the SEC and foreign regulators have imposed, and may continue to impose, restrictions on and reporting obligations with respect to short selling. Uncertainty surrounding the confidential nature of the required disclosures of the Funds' short sales could discourage short selling by the Funds in circumstances where the Adviser believes that the public disclosure of such short sales may be adverse to its interests. In addition, limitations on the short selling of securities could interfere with the ability of the Funds to execute certain aspects of its investment program, including its ability to hedge certain exposures and execute transactions to implement its risk management guidelines, and any such limitations may adversely affect the performance of the Funds.

Swap Transactions Generally. The Funds engage in swap transactions. Currency swaps involve the exchange of cash flows on a notional amount of two or more currencies based on their relative future values. Interest rate swaps involve the exchange of cash flows on a notional amount of two or more interest rates based on their relative future levels. An equity swap is an agreement to exchange streams of payments computed by reference to a notional amount based on the performance of a basket of stocks, single stock or index. A credit default swap is an agreement whereby one party makes regular premium

payments based on a notional amount of a specified reference obligation to the other party, who provides protection upon the occurrence of certain specified credit events with respect to the issuer of such reference obligation. The Funds will usually enter into swaps on a net basis; i.e., the two payment streams are netted out in a cash settlement on the payment date or dates specified in the agreement. The Funds receive or pay, as the case may be, only the net amount of the two payments. The Funds may employ swaps for speculative purposes, such as to obtain the price performance of a security without purchasing it in cases where the security is illiquid, unavailable for direct investment or available only on less attractive terms.

Synthetic Assets; Credit Default Swaps. The Funds may enter into credit default swaps or acquire credit-linked notes secured by credit default swaps for, among other reasons, the purpose of implementing the Adviser's view that a particular credit, or group of credits, will experience credit improvement or credit deterioration, or to pursue other investment strategies. In the case of expected credit improvement, the Funds may "write" or "sell" credit default protection in exchange for a fixed premium or spread income. The Funds may also "purchase" credit default protection even in the case in which it does not own the referenced obligation if, in the judgment of the Adviser, there is a high likelihood of credit deterioration. Swap transactions dependent upon credit events are priced incorporating many variables including the pricing and volatility of the underlying Reference Obligation (as defined below), and potential loss upon default, among other factors. As such, there are many factors upon which market participants may have divergent views.

Specifically, the Funds may acquire exposure to the risk of certain financial instruments synthetically through products such as credit default swaps, total return swaps, credit linked notes, structured notes, trust certificates and other derivative instruments (each, a "**Synthetic Asset**"). A Synthetic Asset could take many forms, including a credit derivative transaction that references a specific financial instrument, a credit derivative transaction that references a portfolio or index of reference obligations consisting of multiple financial instruments or (each, a "**Reference Obligation**").

Selling credit default protection creates a synthetic "long" position which may replicate credit exposure to the Reference Obligation. However, there can be no assurance that the price relationship between the Reference Obligation and the Synthetic Asset will remain constant (as, among other reasons, the pricing of each may be based upon different factors), and events unrelated to the Reference Obligation (such as those affecting availability of borrowed money and liquidity) can cause the price relationship to change. This risk is often referred to as "basis risk," and it may cause the Funds to realize a greater loss on a Synthetic Asset than might otherwise be the case with a direct investment in a Reference Obligation.

As a "seller" of credit default protection, a Fund will generally receive a fixed rate of income throughout the term of the contract, which generally is between six months and ten years (depending on the maturity of the underlying Reference Obligation), provided that there is no credit event. If a credit event occurs, such Fund (as the seller of protection) will be required to pay the notional value of the Reference Obligation and,

depending on the terms of the contract, either may receive in return a security representing the Reference Obligation, which will have a heavily discounted value or perhaps little or even no value, or may receive nothing in return other than the right to receive reimbursements of recoveries from the counterparty to the extent that the Reference Obligation subsequently performs.

Exposure to Reference Obligations through Synthetic Assets presents risks in addition to those resulting from direct purchases of the assets referenced. The Funds will have a contractual relationship only with the Synthetic Asset counterparty, and not with the issuer(s) (the “**Reference Entity**”) of the Reference Obligations unless a termination (in whole or in part) of the contract prior to such contract’s scheduled maturity date (in the event of a credit event) occurs with respect to any such Reference Obligation, physical settlement applies and the Synthetic Asset counterparty delivers the Reference Obligation to the Funds. Other than in the event of such delivery, the Funds generally will have no right directly to enforce compliance by the Reference Entity with the terms of any such Reference Obligation and the Funds will not have any rights of set-off against the Reference Entity. In addition, the Funds generally will not have any voting or other consensual rights of ownership with respect to the Reference Obligation. The Funds also will not directly benefit from any collateral supporting the Reference Obligation and will not have the benefit of the remedies that would normally be available to a holder of such Reference Obligation.

Where a Fund is a “purchaser” of credit default protection and no credit event occurs, such Fund will lose its investment and recover nothing. However, if a credit event occurs, such Fund (as purchaser) may receive up to the notional value of the Reference Obligation even if the Reference Obligation has little or no value.

In the event of the bankruptcy or insolvency of the Synthetic Asset counterparty, the Funds will be treated as a general unsecured creditor of such counterparty, and will not have any claim of title with respect to the Reference Obligation. Consequently, the Funds will be subject to the credit risk of the Synthetic Asset counterparty, as well as that of the Reference Entity. As a result, concentrations of Synthetic Assets entered into with any one Synthetic Asset counterparty will subject the Funds to an additional degree of risk with respect to defaults by such Synthetic Asset counterparty as well as by the respective Reference Entities. Where a Fund is the purchaser of credit default protection, such Fund is exposed to the risk that the Synthetic Asset counterparty may fail to satisfy its payment obligation to such Fund following a credit event. The failure of a Synthetic Asset counterparty to perform may cause such Fund’s hedging strategies, to the extent that they involve the purchase of credit default protection, to be less effective or ineffective.

As noted above, the Dodd-Frank Act and the regulations promulgated thereunder require the mandatory clearing of certain “over-the-counter” (“**OTC**”) derivatives. Certain swaps referencing credit default swap indices are subject to this clearing mandate. As noted above, compliance with the new regulatory regime is expected to result in increased costs that may be passed through to other market participants in the form of higher margin, less favorable trade pricing, and the possible imposition of new or increased fees.

Derivatives Generally. The Funds may utilize both exchange-traded and OTC derivatives, including, but not limited to, futures, forwards, swaps, options and contracts for differences, as part of its investment strategies and for hedging purposes. Regulatory restraints may restrict the instruments that the Funds may trade. Derivative instruments are highly volatile, involve certain special risks and expose investors to a high risk of loss. The initial margin deposits normally required to establish a position in such instruments may be small relative to the related position and may permit a high degree of leverage. As a result, depending on the type of instrument, a relatively small movement in the price of a contract may result in a profit or a loss which is high in proportion to the amount of funds actually placed as initial margin and may result in further losses exceeding any margin deposited. In addition, daily limits on price fluctuations and speculative position limits on exchanges may prevent prompt liquidation of positions resulting in potentially greater losses. Further, when used for hedging purposes, there may be an imperfect correlation between these instruments and the investments or market sectors being hedged. Transactions in OTC contracts may involve additional risk as there is generally no exchange market on which to close out an open position. It may be impossible to liquidate an existing position, to assess the value of a position or to assess the exposure to risk. Contractual asymmetries and inefficiencies can also increase risk, such as break clauses, whereby a counterparty can terminate a transaction on the basis of a certain reduction in net asset value of the Funds, incorrect collateral calls or delays in collateral recovery. The Funds may also sell covered and uncovered options on securities. To the extent that such options are uncovered, the Funds could incur an unlimited loss.

OTC Derivatives Generally. The Dodd-Frank Wall Street Reform and Consumer Protection Act (the “**Dodd-Frank Act**”) includes provisions that comprehensively regulate the OTC derivatives markets for the first time, including the swap markets.

The Dodd-Frank Act and regulations implementing the Dodd-Frank Act mandate that certain OTC derivatives must be submitted for clearing to regulated clearinghouses. OTC trades submitted for clearing will be subject to minimum initial and variation margin requirements set by the relevant clearing member and clearinghouse, as well as possible SEC- or CFTC-mandated margin requirements. The regulators also have broad discretion to impose margin requirements on non-cleared OTC derivatives and new requirements on holding of customer collateral by OTC derivatives dealers. These requirements may increase the amount of collateral the Funds are required to provide and the costs associated with providing it. Although the Dodd-Frank Act includes limited exemptions from the clearing and margin requirements for certain “end-users,” the Funds do not expect to be able to rely on such exemptions. In addition, the OTC derivative dealers with which the Funds execute the majority of their OTC derivatives will be subject to clearing and margin requirements irrespective of whether the Funds are subject to such requirements. OTC derivative dealers also will be required to post margin to the clearinghouses through which they clear their customers’ trades instead of using such margin in their operations, as is currently permitted. This will increase the OTC derivative dealers’ costs, and these increased costs are expected to be passed through to other market participants in the form of higher upfront and mark-to-market margin, less favorable trade pricing, and the possible imposition of new or increased fees.

The SEC and/or CFTC may also require certain derivative transactions that are currently executed on a bilateral basis in the OTC markets to be executed through a regulated securities, futures, or swap exchange or execution facility.

OTC derivative dealers and major OTC derivatives market participants are required to register with the SEC and/or CFTC. Although neither Fund nor the Adviser is required to register as a dealer or major participant in the OTC derivatives markets, it is possible that going forward, the Funds and/or the Adviser may be required to be registered as a dealer or major participant. Registered OTC derivatives dealers and major participants are subject to a number of regulatory requirements, including minimum capital and margin requirements. These requirements may apply irrespective of whether the derivatives in question are OTC derivatives, exchange-traded or cleared.

Although the Dodd-Frank Act will require many OTC derivative transactions previously entered into on a principal-to-principal basis to be submitted for clearing by a regulated clearinghouse, certain of the derivatives that may be traded by the Funds may remain OTC or principal-to-principal contracts entered into privately by the Funds and third parties. The risk of counterparty nonperformance can be significant in the case of these OTC instruments, and “bid-ask” spreads may be unusually wide in these heretofore substantially unregulated markets. While the Dodd-Frank Act is intended in part to reduce these risks, its success in this respect may not be evident for some time after the Dodd-Frank Act is fully implemented, a process that may take several years or more.

The European Market Infrastructure Regulation similarly seeks to comprehensively regulate the OTC derivatives market in Europe for the first time including, in particular, by imposing mandatory central clearing, trade reporting and, for non-centrally cleared trades, risk management obligations on counterparties.

Futures Contracts. The value of futures depends upon the price of the financial instruments, such as commodities, underlying them. The prices of futures are highly volatile, and price movements of futures contracts can be influenced by, among other things, interest rates, changing supply and demand relationships, trade, fiscal, monetary and exchange control programs and policies of governments, and national and international political and economic events and policies. In addition, investments in futures are also subject to the risk of the failure of any of the exchanges on which the Funds’ positions trade or of its clearing houses or counterparties.

Futures positions may be illiquid because certain commodity exchanges limit fluctuations in certain futures contract prices during a single day by regulations referred to as “daily price fluctuation limits” or “daily limits.” Under such daily limits, during a single trading day no trades may be executed at prices beyond the daily limits. Once the price of a particular futures contract has increased or decreased by an amount equal to the daily limit, positions in that contract can neither be taken nor liquidated unless traders are willing to effect trades at or within the limit. This could prevent the Funds from promptly liquidating unfavorable positions and subject the Funds to substantial losses or prevent it from entering into desired trades. In extraordinary circumstances, a futures

exchange or the CFTC could suspend trading in a particular futures contract, or order liquidation or settlement of all open positions in such contract.

Loan Origination. The Adviser may originate loans on behalf of the Funds. In making loans, the Funds will compete with a broad spectrum of lenders, some of which may be willing to lend money on better terms (from a borrower's standpoint) than the Funds. Increased competition for, or a diminution in the available supply of, qualifying loans may result in lower yields on such loans, which could reduce returns to the Funds. In addition, compared to secondary debt purchases, loan origination involves a number of particular risks, for example, the Adviser might have limited resources to conduct due diligence of the borrower when originating loans, loan origination involves additional regulatory risks, the borrowers may be of higher credit risks because they could not obtain debt financing in the syndicated markets and the borrowers may default on their loans.

Securities with Limited Liquidity. From time to time, the Funds may invest in illiquid or less liquid instruments, such as structured products, derivatives and other types of unregistered securities which are generally not publicly-traded. The Funds 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 financial instruments for a specified period of time. Accordingly, the Funds may be forced to sell its more liquid positions at a disadvantageous time, resulting in a greater percentage of the portfolio consisting of illiquid securities. In addition, the market prices, if any, for such illiquid financial instruments tend to be volatile, and the Funds may not be able to sell them when it desires to do so or to realize what it perceives to be their fair value in the event of a sale. The sale of illiquid securities also often requires more time and results in higher brokerage charges or dealer discounts and other selling expenses than does the sale of securities eligible for trading on national securities exchanges or in the OTC markets. Furthermore, valuing such financial instruments may be difficult and lead to uncertain marks. It also should be noted that, even those markets which the Adviser expects to be liquid can experience periods, possibly extended periods, of illiquidity.

Private Investments Generally. While private investments are not a core focus of the Funds' investment strategies, from time to time the Funds may invest in select private investments which are expected to provide liquidity within a reasonable time having regard to the Funds' investment objectives and strategies. For example, a distressed issuer emerging from restructuring may issue notes or other interests to the Funds. Certain of such private investments are expected to be medium to long-term investments in private companies that are not publicly traded securities. Exit transactions from these investments typically involve, but are not limited to, initial public offerings (after which time, the Funds' interests may be subject to transfer restrictions for periods of time) or private sales of the Funds' investments.

Private Investments in Public Entities. The Funds may invest in private investments in public entities (including investments in an initial public offering before it is available to the public), or "**PIPEs**." PIPEs present certain risks in addition to the risks that would otherwise be associated with an investment in the underlying public entity, including (i)

limited liquidity due to legal or contractual restrictions on resales of PIPEs; (ii) lack of a public market for PIPEs; (iii) dependence on an exit strategy, such as an initial public offering or sale of a business, the successful completion of which cannot be assured, to fully realize the anticipated value of the investment; and (iv) dependence on managerial assistance provided by other investors and the willingness of other investors or third parties to provide additional financial support to the underlying public entity.

Use of Options. The Funds may buy or sell (write) both call options and put options (either exchange-traded, OTC or issued in private transactions), and when it writes options it may do so on a “covered” or an “uncovered” basis. The Funds’ options transactions may be part of a hedging tactic (i.e., offsetting the risk involved in another securities position) or a form of leverage, in which a Fund has the right to benefit from price movements in a large number of securities with a small commitment of capital. These activities involve risks that can be large, depending on the circumstances. In general, the principal risks involved in options trading can be described as follows, without taking into account other positions or transactions the Funds may enter into.

When the Funds buy an option, a decrease (or inadequate increase) in the price of the underlying security in the case of a call, or an increase (or inadequate decrease) in the security in the case of a put, could result in a total loss of the Funds’ investment in the option (including commissions). The Funds could mitigate those losses by selling short the securities as to which it holds call options or taking a long position (i.e., by buying the securities or buying options on them) on securities underlying put options.

When the Funds sell (writes) an option, the risk can be substantially greater than when it buys an option. The seller of an uncovered call option bears the risk of an increase in the market price of the underlying security above the exercise price. The risk is theoretically unlimited unless the option is “covered.” If it is covered, an increase in the market price of the security above the exercise price would cause the Funds to lose the opportunity for gain on the underlying security—assuming it bought the security for less than the exercise price. If the price of the underlying security were to drop below the exercise price, the premium received on the option (after transaction costs) would provide profit that would reduce or offset any loss the Funds might suffer as a result of owning the security.

The seller of an uncovered put option theoretically could lose an amount equal to the entire aggregate exercise price of the option, if the underlying security were to become valueless. If the option were covered with a short position in the underlying security, this risk would be limited, but a drop in the security’s price below the exercise price would cause the Funds to lose some or all of the opportunity for profit on the “covering” short position – assuming a Fund is short for more than the exercise price. If the price of the underlying security were to increase above the exercise price, the premium on the option (after transaction costs) would provide profit that would reduce or offset any loss such Fund might suffer in closing out its short position.

Swap Agreements. The Funds may enter into swap agreements. Swap agreements can be individually negotiated and structured to include exposure to a variety of different

types of investments or market factors. Depending on their structure, swap agreements may increase or decrease the exposure of the Funds to long-term or short-term interest rates (in the U.S. or abroad), non-U.S. currency values, mortgage securities, corporate borrowing rates, asset-backed securities, collateralized debt obligations, indices, or other factors such as security prices, baskets of equity securities, or inflation rates. Swap agreements can take many different forms and are known by a variety of names. The Fund is not precluded from any particular form of swap agreement if the Adviser determines it is consistent with the investment objectives and policies of the Funds.

Swap agreements tend to shift investment exposure from one type of investment to another. For example, if a Fund agrees to exchange payments in dollars for payments in non-U.S. currency, the swap agreement would tend to decrease such Fund's exposure to U.S. interest rates and increase its exposure to non-U.S. currency and interest rates. Depending on how they are used, swap agreements may increase or decrease the overall volatility of the portfolio of the Funds. The most significant factor in the performance of swap agreements is the change in the specific interest rate, currency, individual equity values or other factors that determine the amounts of payments due to and from the Funds. If a swap agreement calls for payments by a Fund, such Fund must be prepared to make such payments when due. In addition, if a counterparty's creditworthiness declines, the value of swap agreements with such counterparty can be expected to decline, potentially resulting in losses by the Funds.

Stock Index and Market Options. The Funds may also purchase and sell call and put options on stock indices and exchange-traded funds ("ETFs") listed on national securities exchanges or traded in the over the counter market for the purpose of realizing its investment objective or for the purpose of hedging its portfolio. A stock index or ETF fluctuates with changes in the market values of the stocks included in the index or ETF. The effectiveness of purchasing or writing stock index or ETF options for hedging purposes will depend upon the extent to which price movements in the Funds' portfolios correlate with price movements of the stock indices or ETFs selected. Because the value of an index or ETF option depends upon movements in the level of the index or ETF rather than the price of a particular stock, whether the Funds will realize gains or losses from the purchase or writing of options on indices or ETFs depends upon movements in the level of stock prices in the stock market generally or, in the case of certain indices or ETFs, in an industry or market segment, rather than movements in the price of particular stocks. Accordingly, successful use by the Funds of options on stock indices or ETFs will be subject to the ability of the Adviser to correctly predict movements in the direction of the stock market generally or of particular industries or market segments. This requires different skills and techniques than predicting changes in the price of individual stocks.

Other Derivative Instruments. The Funds may take advantage of opportunities with respect to certain other derivative instruments that are not presently contemplated for use or that are currently not available, but that may be developed, to the extent such opportunities are both consistent with the investment objectives of the Funds and legally permissible. Special risks may apply to instruments that are invested in by the Funds in the future that cannot be determined at this time or until such instruments are developed

or invested in by the Funds. Certain swaps, options and other derivative instruments may be subject to various types of risks, including market risk, liquidity risk, the risk of nonperformance by the counterparty, including risks relating to the financial soundness and creditworthiness of the counterparty, legal risk and operations risk.

Effects of Speculative Position Limits. The CFTC and the U.S. commodities exchanges impose limits, referred to as “speculative position limits,” on the maximum net long or net short speculative positions that any person may hold or control in any particular futures or options contracts traded on U.S. commodities exchanges. The Dodd-Frank Act significantly expands the CFTC’s authority to impose position limits with respect to futures contracts, options on futures contracts, swaps that are economically equivalent to futures or options on futures, swaps that are traded on a regulated exchange and certain swaps that perform a significant price discovery function. In addition, the Dodd-Frank Act requires the SEC to set position limits on security-based swaps. The Adviser could be required to liquidate positions held for the Funds, or may not be able to fully implement trading ideas, in order to comply with such limits. Any such liquidation or limited implementation could result in substantial costs to the Funds.

Small and Medium Capitalization Companies. While the Adviser believes securities in companies with small and medium capitalizations often provide significant potential for appreciation, the securities of certain companies, particularly smaller-capitalization companies, involve higher risks in some respects than do investments in securities of larger companies. For example, prices of small-capitalization and even medium-capitalization securities are often more volatile than prices of large-capitalization securities and the risk of bankruptcy or insolvency of many smaller companies (with the attendant losses to investors) is higher than for larger, “blue-chip” companies. In addition, due to thin trading in the securities of some small-capitalization companies, an investment in those companies may be illiquid.

Leverage and Borrowing. Leverage is a component to the Funds’ investment strategies, and certain such strategies cannot be successful without the use of a substantial amount of leverage. The use of leverage will, in many instances, enable the Funds to achieve a higher rate of return than would be otherwise possible. Accordingly, the Funds are expected to employ leverage in order to obtain investment returns. Generally, with respect to the overall portfolios of the Funds, the Adviser generally will seek to balance the amount of leverage to be employed by the Funds and the estimated long-term volatility of the portfolio. The Funds’ perception of any strategy’s volatility is expected to change from time to time and the market for leverage is expected to be dynamic. Accordingly, the amount, kinds and pricing of leverage utilized with respect to such strategy will also change. An inability of the Funds to obtain a desired amount of leverage, however, may limit the Funds’ overall investment exposure and/or inhibit inverse correlation, thereby reducing the Funds’ performance. Leverage may take the form of, without limitation, any of the financial instruments described herein, including derivative instruments which are inherently leveraged, trading in products with embedded leverage such as options, short sales, swaps and forwards, repurchase facilities and prime brokerage.

The instruments and borrowings utilized by the Funds to leverage investments may be collateralized by the Funds' portfolios. Accordingly, the Funds may pledge their financial instruments in order to borrow additional funds or otherwise obtain leverage for investment or other purposes. The amount of borrowings which the Funds may have outstanding at any time may be substantial in relation to their capital.

The use of leverage will allow the Funds to borrow in order to make additional investments, thereby increasing its exposure to assets, such that its total assets are greater than its capital. The use of leverage will magnify the volatility of changes in the value of the investments of the Funds. Accordingly, any event which adversely affects the value of an investment would be magnified to the extent the investment is leveraged. The cumulative effect of the use of leverage by the Funds in a market that moves adversely to its investments could result in substantial losses to the Funds, which would be greater than if the Funds were not leveraged.

The investment return of the Funds may also be leveraged with options, short sales, swaps, forwards and other derivative instruments. In the futures markets, margin deposits are typically low relative to the value of the futures contracts purchased or sold. Such low margin deposits are indicative of the fact that any commodity futures contract trading is typically accompanied by a high degree of leverage. Low margin deposits mean that a relatively small price movement in a futures contract may result in immediate and substantial losses to the investor. For example, if at the time of purchase 10 percent of the price of a futures contract is deposited as margin, a 10 percent decrease in the price of the futures contract would, if the contract is then closed out, result in a total loss of the margin deposit before any deduction for the brokerage commission. Thus, like other leveraged investments, any purchase or sale of a commodity contract may result in losses in excess of the amount invested.

The use of short-term margin borrowings results in certain additional risks to the Funds. For example, should the securities pledged to brokers to secure the Funds' margin accounts decline in value, the Funds could be subject to a "margin call," pursuant to which the Funds must either deposit additional funds or securities with the broker, or suffer mandatory liquidation of the pledged securities to compensate for the decline in value. In the event of a sudden drop in the value of the Funds' assets, the Funds might not be able to liquidate assets quickly enough to satisfy its margin requirements.

The Funds may borrow by entering into reverse repurchase agreements. Under a reverse repurchase agreement, a Fund sells securities and agrees to repurchase them at a mutually agreed date and price. Reverse repurchase agreements may involve the risk that the market value of the securities retained in lieu of sale by a Fund may decline below the price of the securities such Fund has sold but is obligated to repurchase. In the event the buyer of securities under a reverse repurchase agreement files for bankruptcy or becomes insolvent, such buyer or its trustee or receiver may receive an extension of time to determine whether to enforce a Fund's obligation to repurchase the securities and such Fund's use of the proceeds of the reverse repurchase agreement may effectively be restricted pending such decision. To the extent that, in the meantime, the value of the

securities that such Fund has purchased has decreased, such Funds could experience a loss.

The financing used by the Funds to leverage its portfolio is currently extended by securities brokers and dealers in the marketplace in which the Funds will invest. While the Funds attempt to negotiate the terms of these financing arrangements with such brokers and dealers, its ability to do so is limited. The Funds are therefore subject to changes in the value that the broker-dealer ascribes to a given security or position, the amount of margin required to support such security or position, the borrowing rate to finance such security or position and/or such broker-dealer's willingness to continue to provide any such credit to the Funds. Because the Funds currently have no alternative credit facility which could be used to finance its portfolio in the absence of financing from broker-dealers, to the extent it used substantial leverage, it could be forced to liquidate its portfolio on short notice to meet its financing obligations. In such circumstances, the forced liquidation of all or a portion of the Funds' portfolios at distressed prices could result in significant losses to the Funds. In addition, borrowings will typically be secured by the Funds' securities and other assets. Under certain circumstances, a broker-dealer may demand an increase in the collateral that secures the Funds' obligations and, if the Funds were unable to provide additional collateral, the broker-dealer could liquidate assets held in the account to satisfy the Funds' obligations to the broker-dealer. Liquidation in such manner could have extremely adverse consequences.

Financing Arrangements; Availability of Credit. The use of leverage increases the risk of loss and the volatility of the Funds' portfolios. Furthermore, due to an increase in margin requirements or other changes in the terms of financing relationships, there can be no assurance that the Funds will be able to maintain adequate financing arrangements or avoid having to close out positions at losses which if held would have been profitable.

Securities Lending. The Funds may borrow and lend securities on an ongoing basis in the regular course of its investing. In doing so, the Funds may lend securities to, or borrow securities from, Other Clients as well as to third parties. This transaction would (i) generate income for the Funds and (ii) give the Funds access to "hard-to-borrow" securities held by Other Clients that could not be obtained from third parties. These transactions involve potentially material conflicts of interest.

Third parties that will borrow securities from the Funds may not be able to return these securities on demand, possibly causing the Funds to default on their obligations to other parties, and may also default on the payment obligations owed to the Funds in connection with such securities loans, potentially resulting in substantial losses to the Funds.

Hedging Transactions. The Funds may (but are not required to) utilize financial instruments, including forward contracts, stock index futures, commodities-related instruments, derivative positions and options, and swaps, caps, and floors, both for investment purposes and for risk management purposes in order to (i) protect against possible changes in the market value of the Funds' investment portfolios resulting from fluctuations in the markets and changes in interest rates; (ii) protect the Funds' unrealized

gains in the value of its investment portfolio; (iii) facilitate the sale of any such investments; (iv) enhance or preserve returns, spreads or gains on any investment in the Funds' portfolios; (v) hedge against a directional trade; (vi) hedge the interest rate, credit or currency exchange rate on any of the Funds' financial instruments; (vii) protect against any increase in the price of any financial instruments the Funds anticipates purchasing at a later date; or (viii) act for any other reason that the Adviser deems appropriate. The Funds may also engage in short selling for hedging purposes. The Funds will not be required to hedge any particular risk in connection with a particular transaction or its portfolios generally.

Commodity-Related Instruments. The Funds may invest in pure commodity-related instruments on a selective basis. The production and marketing of such commodities may be affected by actions and changes in governments. In addition, commodity-related instruments may be cyclical in nature. During periods of economic or financial instability, commodity-related instruments may be subject to broad price fluctuations, reflecting volatility of energy and basic material prices and possible instability of supply of various commodities. Commodity-related instruments may also experience greater price fluctuations than the relevant commodity. In periods of rising commodity prices, such instruments may rise at a faster rate; and conversely, in times of falling commodity prices, such instruments may suffer a greater price decline.

Currency Exposure. The interests in the Funds will be issued and generally withdrawal proceeds will be paid in U.S. dollars. The capital of the Funds may, however, be invested in financial instruments and other investments which are denominated in currencies other than U.S. dollars. Accordingly, the value of such assets may be affected favorably or unfavorably by fluctuations in currency rates. The Adviser may hedge the non-U.S. currency exposure of the Funds by entering into currency hedging transactions, such as treasury locks, forward contracts, futures contracts, cross-currency swaps or by shorting non-U.S. debt. However, the assets of the Funds will necessarily be subject to foreign exchange risks. In addition, prospective investors whose assets and liabilities are predominately in other currencies should take into account the potential risk of loss arising from fluctuations in value between the U.S. dollar and other currencies.

To the extent unhedged, the value of the Funds' positions in non-U.S. investments will fluctuate with U.S. dollar exchange rates as well as with the price changes of the investments in the various local markets and currencies. In such cases, an increase in the value of the U.S. dollar compared to the other currencies in which the Funds make investments will reduce the effect of any increases and magnify the effect of any decreases in the prices of the Funds' financial instruments in their local markets and may result in a loss to the Funds. Conversely, a decrease in the value of the U.S. dollar will have the opposite effect on the Funds' non-U.S. dollar investments.

Trading in Currencies. A principal risk in trading currencies is the rapid fluctuation in the market prices of currency contracts. Prices of currency contracts traded by the Funds are affected generally by relative interest rates, which in turn are influenced by a wide variety of complex and difficult to predict factors, such as money supply and demand, balance of payments, inflation levels, fiscal policy, and political and economic events. In

addition, governments from time to time intervene, directly and by regulation, in these markets, with the specific effect, or intention, of influencing prices which may, together with other factors, cause all of such markets to move rapidly in the same direction because of, among other things, interest rate fluctuations. The Funds may or may not seek to hedge its currency exposure.

Item 9 – Disciplinary Information

The Adviser and its employees have not been involved in any legal or disciplinary events in the past 10 years that would be material to a Client’s evaluation of the company or its personnel.

Item 10 – Other Financial Industry Activities and Affiliations

Commodity Pool Operator or Commodity Trading

The Adviser and the General Partner each operate under an exemption from registration as a Commodity Pool Operator with the U.S. Commodity Futures Trading Commission. The Adviser and the General Partner are members of the National Futures Association.

The Adviser and its employees do not have any other relationships or arrangements with other financial services companies that pose material conflicts of interest.

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

The Adviser has adopted a Code of Ethics (the “Code”) that obligates all employees to put the interests of the Adviser’s Clients before their own personal interests and to act honestly and fairly in all respects in their dealings with Clients.

The Code places restrictions on personal trading by One Tusk employees, including that they disclose their personal securities holdings and transactions to One Tusk on a periodic basis. Generally, employees are not permitted to buy and sell publicly traded securities other than direct obligations of the Government of the United States, open-end mutual funds and broad-based exchange traded funds. Employees generally may sell with preclearance (i) securities held prior to employment with One Tusk and (ii) in certain circumstances, involuntarily received securities. Employees may periodically make investments in limited offerings such as private companies and pooled investment vehicles for their personal accounts subject to preclearance where it has been determined that such investments are not applicable to or appropriate for the Funds. In addition, employees are permitted to hold accounts over which a third-party manager exercises exclusive discretionary authority.

The Adviser requires all employees to disclose any outside employment to the Adviser who will identify any potential conflicts. In the event that a resolution to the conflict cannot be reached, the employee may be asked to terminate either their outside employment or their position with the Adviser.

Employees of the Adviser, through their position with the Adviser, may come into possession of confidential or material non-public information about issuers. While the Adviser does not believe that it has any particular access to non-public information, all employees participate in annual training and are instructed that such information may not be used in a personal or professional capacity. The Adviser also maintains policies and procedures on insider trading that are designed ensure that the Adviser satisfies its obligations to Clients and remains in compliance with applicable law, and requires all employees to certify, at least annually, their acceptance and agreement with such policies and procedures.

The Code sets forth a fiduciary standard that requires employees to act in the best interests of the Clients and place the interests of the Clients ahead of their own and those of the Adviser. Employees are required to acknowledge receipt of the Code and agree to abide by its terms.

Investors or prospective investors may obtain a copy of the Adviser's Code by contacting the Chief Compliance Officer, Daniel Mandelbaum, by email at dmandelbaum@onetuskinvest.com or by telephone at (212) 468-5212.

Other Related Conflicts

Side Letters

The Funds and/or the General Partner of the Funds, may from time to time enter into side letters granting certain investors different rights and terms other than those described in the offering documents of the Funds, including, without limitation, rights and terms that differ with respect to asset-based fees, performance-based allocations, and withdrawal rights.

Co-Investment

The Adviser may, in its sole discretion, offer co-investment opportunities alongside the Funds to third parties and certain investors. Co-investment opportunities may be made available through limited partnerships, limited liability companies or other entities formed to make such investments. The Adviser may (or may not) earn asset-based fees and/or performance-based compensation (which may or may not be different than the fees and/or compensation charged by the Funds) in respect of such co-investments. Based on the compensation structure or composition of investors participating in such co-investment opportunities, the Adviser may be biased when determining the capacity of the Funds with respect to certain investments.

Additionally, offering co-investment opportunities may introduce certain other conflicts such as with regard to the allocation of co-investment expenses.

Expenses

The Adviser may, in its sole discretion, allocate expenses among the Funds in a manner it determines is fair and equitable. However, such determination is inherently subjective

and may give rise to conflicts of interest. There can be no assurance that a different manner of calculation would not result in a Fund bearing less (or more) expenses.

Any descriptions in the Funds' offering documents of the expenses that the Partnership may bear are not exhaustive. From time to time the Adviser will need to make certain determinations regarding whether certain expenses are a Fund's "own" expenses (since they are of the type or nature described in such Fund's offering documents) and therefore are to be borne by such Fund. These determinations will necessarily be subjective and give rise to conflicts of interest between the interests of the investors and the interests of the Adviser, who might otherwise bear such expenses. Because the Adviser will generally be responsible for certain research-related expenses, except to the extent such expenses are paid for with "soft dollars," there may be an incentive for the Adviser to generate and use "soft dollars" for such research-related expenses.

Item 12 – Brokerage Practices

Factors Considered in Selecting or Recommending Broker-Dealers for Client Transactions

The Adviser considers a number of factors in selecting a broker-dealer to execute transactions and determining the reasonableness of the broker-dealer's compensation. Such factors include access to research, net price, reputation, financial strength and stability, efficiency of execution and error resolution, offering to the Adviser on-line access to computerized data regarding a Client's accounts.

Research and Other Soft Dollar Benefits

The Adviser may use "soft" or commission dollars when the Adviser makes a good faith determination that the commissions are reasonable in relation to the value of brokerage and research services provided, viewed in terms of either a particular transaction or our overall responsibilities to all Clients. The Adviser uses "soft" dollars in accordance with Section 28(e) of the Securities Exchange Act of 1934, as amended ("Section 28(e)"). Section 28(e) provides a "safe harbor" to Advisers that use commission dollars of their advised accounts to obtain investment research and brokerage services that provide lawful and appropriate assistance to the Adviser in performing investment decision-making responsibilities. Conduct outside of the safe harbor afforded by Section 28(e) is subject to the traditional standards of fiduciary duty under state and Federal law.

Research products or services provided to the Adviser may include research reports on particular industries and companies, economic surveys and analyses, recommendations as to specific securities, and other products and services providing lawful and appropriate assistance to us in the performance of our investment decision-making responsibilities. This research may include both proprietary research or research created or developed by a third party.

The Adviser is not obligated to seek the lowest transaction charge, except to the extent that it contributes to the overall goal of obtaining the best execution for Clients. A higher

transaction charge on exchange and over-the-counter trades may be determined reasonable in light of the value of the brokerage execution and research products and services provided to us for the benefit of our Clients.

Consistent with the requirements of best execution, the Adviser may from time to time enter into formal or informal arrangements with certain brokers (“Soft Dollar Brokers”) whereby the provision of research or brokerage execution services is explicitly dependent on the level of commissions and underwriting concessions generated by the Clients. In selecting Soft Dollar Brokers to initiate soft dollar transactions, the Adviser will consider the capabilities of the Soft Dollar Broker to provide best execution.

Best Execution Reviews

The Management Committee which consists of the Managing Member, CCO/CFO, and Head Trader meets periodically to evaluate the broker-dealers used by the Adviser to execute Client trades using the foregoing factors.

Directed Brokerage

One Tusk does not participate in any directed brokerage arrangements.

Aggregating Orders for Various Clients

Consistent with the Adviser’s duty to seek the best possible execution for Clients, and to the extent practicable, the Adviser may seek to aggregate (or “bunch” or “block”) orders that are placed or received concurrently for more than one Client. Typically, all trades in the same security are aggregated and sent to the market simultaneously. All Clients participating in a bunched trade will receive the same execution price, with all transaction costs (for example, commissions) being shared on a pro rata basis.

Cross Transactions

The Adviser may effect “cross transactions” between Clients if Clients are not in balance for a given security and the Adviser believes it is in the best interest of each selling fund to reduce its position and each purchasing fund to increase its position in a given security. The Adviser endeavors to ensure that all parties to the transaction receive at least as favorable a price as would be received if the transaction were executed on the market and no commission will ever be received by the Adviser or its affiliate for executing a cross transaction. In addition, such trades are not generally permitted if they would constitute principal trades.

Initial Public Offering Securities

One Tusk may participate in initial public offerings (“IPOs”). Shares offered in an IPO frequently are in great demand and available only in limited quantities. Moreover, shares of an IPO can trade at a premium shortly after issuance. One Tusk allocates IPOs in a manner that is fair to all Clients and in accordance with FINRA Rules 5130 and 5131 and Client specific guidelines or investment restrictions. Generally, One Tusk will allocate

IPOs among Clients that can participate pro rata based upon the Clients' assets under management as of the issue date of the IPO.

Trade Errors

The Adviser has established policies and procedures for the handling of trade errors and will correct errors as soon as practicable after discovery to mitigate any potential loss. The Funds (and neither the Adviser nor the General Partner) will be responsible for any losses resulting from trading errors and similar human errors, absent actions or omission that have been judicially determined to be primarily and directly attributable to their bad faith, gross negligence, willful misconduct or fraud.

Client Referrals

The Adviser does not compensate Goldman, Sachs and Co. Morgan Stanley or any broker/dealer for referring Client accounts.

The Adviser has entered into agreements on behalf of the Funds with certain brokers-dealers that act as prime brokers on behalf of the Funds. From time to time, the Adviser's personnel may speak at conferences and programs for potential investors interested in investing in hedge funds which are sponsored by those prime brokers. These conferences and programs may be a means by which the Adviser can be introduced to potential investors in the Funds. Currently, neither the Adviser nor the Funds compensate prime brokers such "capital introduction" events or for any investments ultimately made by prospective investors attending such events. While such events and other services provided by a prime broker (which otherwise meets all applicable best execution criteria) may influence the Adviser in deciding whether to use such prime broker in connection with brokerage, financing and other activities of the Funds, the Adviser will not commit to allocate a particular amount of brokerage to a broker-dealer in any such situation.

Item 13 – Review of Accounts

Reviews

Positions held by the Funds are continuously monitored by the employees of the Adviser. Each Fund is reviewed in the context of its stated objectives and guidelines including, without limitation, a review of portfolio positions, the extent to which the Funds holds securities of an individual issuer or in a specific market or country, trading procedures, and overall best execution.

Reports

Investors in the Funds receive an annual report containing audited financial information, as well as annual tax information needed to prepare income tax returns.

Item 14 – Client Referrals and Other Compensation

The Adviser is aware of the special considerations promulgated under Section 206(4)-3 of the Investment Advisers Act of 1940 and similar state regulations and may from time to time compensate, either directly or indirectly, any person (defined as a natural person or a company) for Client referrals. As such, appropriate disclosure shall be made, all written instruments will be maintained by the Adviser and all applicable Federal and/or State laws will be observed.

Item 15 – Custody

The Adviser and/or an affiliate of the Adviser may be deemed to have custody of the Funds' assets. The Adviser's general policy is to ensure that Client funds and securities are maintained with "qualified custodians." Pursuant to Rule 206(4)-2 of the Investment Advisers Act of 1940, the Adviser maintains compliance by ensuring that:

- Each Fund is audited on an annual basis by an independent accountant that is registered with, and subject to regular inspection by, the Public Company Accounting Oversight Board in accordance with its rules.
- It distributes audited financial statements prepared in accordance with generally accepted accounting principles to all members, limited partners or other beneficial owners within 120 days of the end of its fiscal year of the applicable Funds.

Item 16 – Investment Discretion

The Adviser provides investment advisory services on a discretionary basis to Clients and is authorized to determine, on behalf of its Clients, how much and which securities are to be bought or sold, broker or dealers to be used and commission rates to be paid. In exercising discretion, the Adviser follows the general investment guidelines set forth in each Client's respective offering and other governing documents.

Prospective investors are provided with offering and other governing documents prior to their investment and are encouraged to carefully review such documents and to be sure that the proposed investment is consistent with their investment goals and tolerance for risk. Prospective investors must also execute certain governing documents such as a subscription agreement in which they make various representations, including representations regarding their suitability to invest in a high-risk investment pool.

Item 17 – Voting Client Securities

In accordance with its fiduciary duty to Clients and Rule 206(4)-6 of the Investment Advisers Act, the Adviser has adopted Proxy Voting Policies and Procedures (the "Proxy Procedures") that are designed to ensure that in cases where the Adviser votes proxies with respect to Client securities, such proxies are voted in the best interests of its Clients. The Procedures also require that the Adviser identify and address conflicts of interest

between the Adviser and its Clients. If a material conflict of interest exists, the Adviser will determine whether voting in accordance with the guidelines set forth in the Proxy Procedures is in the best interests of the Client or take some other appropriate action.

In voting proxies, the Adviser generally votes in favor of routine corporate housekeeping proposals, including election of directors (where no corporate governance issues are implicated), selection of auditors and increases in or reclassification in common stock. Generally, the Adviser will vote against proposals that make it more difficult to replace members of a board of directors. For all other proposals, the Adviser will determine whether a proposal is in the best interests of its Clients and may take into account the following factors, among others: (i) whether the proposal was recommended by management and Adviser's opinion of management; (ii) whether the proposal acts to entrench existing management; and (iii) whether the proposal fairly compensates management for past and future performance.

The Adviser has entered into an agreement with Institutional Shareholder Services Inc. (ISS), an independent third party, to facilitate the electronic voting of proxies and to provide one central source for the documentation and maintenance of the Adviser's proxy voting records.

Investors may contact the Chief Compliance Officer in order to obtain a copy of the Proxy Procedures as well as information about how the Adviser voted a Client's proxies by contacting Daniel Mandelbaum, by email at dmandelbaum@onetuskinvest.com or by telephone at (212) 468-5212.

Item 18 – Financial Information

This Item is not applicable.