

Item 1 COVER PAGE



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Form ADV Part 2A
Disclosure Brochure
December 2020

This disclosure brochure (“**Brochure**”) provides information about the qualifications and business practices of Hidden Road Partners LP (hereinafter “**HRP**” or “**Adviser**”). If you have any questions about the contents of this Brochure, please contact John Jacobs at 646-933-8228. The information in this Brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority. Additional information about Hidden Road Partners LP is available on the SEC’s website at www.adviserinfo.sec.gov.

Item 2 MATERIAL CHANGES

This Brochure is HRP's initial Brochure. As such there are no material changes to report and therefore this section is not applicable.

Item 3 TABLE OF CONTENTS

Item 1	Cover Page	1
Item 2	Material Changes.....	2
Item 3	Table of Contents.....	3
Item 4	Advisory Business	5
4.1	The Adviser and its affiliates provide investment management services to the following entities:.....	5
Item 5	Fees and Compensation	6
Item 6	Performance-Based Fees and Side-by-Side Management	9
Item 7	Types of Clients.....	10
Item 8	Methods of Analysis, Investment Strategies and Risk of Loss	10
8.1	Methods of Analysis and Investment Strategies.	10
8.2	Material Risks of Investment Strategies.....	11
8.3	Risks Relating to Methods of Analysis	13
8.4	Risks Relating to Market Conditions Generally.....	16
8.5	Risks Relating to Specific Sectors and Types of Companies.....	18
8.6	Risks Relating to Operating as an Intermediary/Clearer.....	18
8.7	Risks Relating to Specific Investments	19
8.8	Risks Relating to Non-U.S. Investments and Non-U.S. Jurisdictions	26
8.9	Risks Associated with Structural and Operation of Funds.....	27
8.10	Regulatory Risks	31
Item 9	Disciplinary Information	33
Item 10	Other Financial Industry Activities and Affiliations	33
Item 11	Code of Ethics, Participation or Interest in Client Transactions and Personal Trading.....	34
11.1	Conflict of Interest.....	36
Item 12	Brokerage Practices	36
12.1	Selection of Broker Dealers	37
12.2	Capital Introduction.....	37
12.3	Use of Soft Dollars	37
12.4	Cross Trades and Principal Transactions	38
12.5	Trade Errors Policy	38
Item 13	Review of Accounts	38
Item 14	Client Referrals and Other Compensation	39
Item 15	Custody.....	39
Item 16	Investment Discretion	39

Item 17	Voting Client Securities	39
Item 18	Financial Information	40
Item 19	Requirements for State-Registered Advisers	40

Item 4 ADVISORY BUSINESS

HRP provides administrative services and, either directly or through controlled entities serves as investment adviser to a variety of private pooled investment vehicles, each a Fund (as defined below), which are privately placed. These funds utilize a variety of investment strategies. The Adviser also manages multiple credit intermediation vehicles, as defined below (each, a “CIV”). The Adviser, which manages or controls the general partners and investment managers, as applicable, of the funds is registered with the Securities and Exchange Commission (“SEC”). The mere fact that an adviser is registered with the SEC does not imply any particular level of skill or training.

The Adviser is affiliated with several other companies that serve as general partners/investment managers and/or administrators that are responsible for running the day-to-day operations of the Funds and CIVs, which are referenced below.

4.1 The Adviser and its affiliates provide investment management services to the following entities:

4.1.1 The Funds:

a) Hidden Road Partners Onshore Fund I LP (the “**Onshore Fund**”), a Delaware limited partnership,

b) Hidden Road Partners Offshore Fund I Cayman LP, a Cayman Islands exempted limited partnership, (the “**Offshore Fund**”).

c) To effect its investment objective, the Offshore Fund will invest substantially all of its investable assets in Hidden Road Partners Fund Blocker LLC, a Delaware limited liability company (the “**Onshore Blocker**”), and Hidden Road Partners Fund Blocker (Cayman) Ltd., a Cayman Islands exempted company (the “**Offshore Blocker**”), each of which, in turn, will invest substantially all of its investable assets in Hidden Road Partners Mini-Master Cayman LP, a Delaware limited partnership (the “**Offshore Mini-Master Fund**”).

The Onshore Fund, along with the Offshore Fund, Onshore Blocker, Offshore Blocker, and Offshore Mini Master Fund together referenced above are collectively referred to as the “**Funds**”.

4.1.2 The Master Fund

The Funds will generally invest substantially all their assets in Hidden Road Partners CIV HoldCo LP, a limited partnership formed under the laws of the Cayman Islands, (the “**Master Fund**”).

4.1.3 Credit Intermediation Vehicles

The Master Fund will invest substantially all of its investable assets in the following list of CIVs:

- a) Hidden Road Partners CIV International HoldCo Ltd. (“**CIV International HoldCo**”)
- b) Hidden Road Partners CIV US LLC (“**CIV US**”),
- c) Hidden Road Partners CIV US OTC LLC (“**CIV US OTC**”), and
- d) Hidden Road Partners CIV UK Ltd. (“**CIV UK**”).

The Funds, Master Fund, along with each of the CIVs referenced above are collectively referred to as the “**HRP Funds**”.

The Adviser was founded in 2018 by Marc Asch. Hidden Road Partners GP LLC is the General Partner to the Adviser, in which Mr. Asch is the manager. Mr. Asch is the Chief Executive Officer

and Mr. Joseph Buthorn is the President and Chief Risk Officer of the Adviser and both are responsible for the day-to-day operations of the Adviser.

With respect to each Fund, the Adviser manages assets in accordance with the investment objectives and restrictions set forth in the governing documents applicable to such Fund. The individual needs of the investors within a Fund are not the basis of investment decisions. Investment advice is provided directly to the Funds and not individually to the Funds' investors.

The Limited Partnerships' interests in the Funds are not registered under the Investment Company Act of 1940, as amended (the "**1940 Act**") and whose securities are not registered under the Securities Act of 1933, as amended (the "**Securities Act**"). Accordingly, interests in the Funds are offered and sold exclusively to investors satisfying applicable eligibility and suitability requirements, either in private transactions within the United States, in offshore transactions and/or in other transactions exempt from the registration requirements of the Securities Act.

This Brochure generally includes information about the Adviser, and its relationships with the Funds and affiliates. Throughout this Brochure, a number of conflicts of interest are disclosed. We have policies and procedures to address and manage such conflicts and we encourage investors and potential investors to inquire directly with us about such conflicts. In addition, conflicts of interest and specific risks are identified in the offering materials of Funds that we manage. You may request a copy of the relevant Fund's most current offering materials for a description of other conflicts and risks that might exist by contacting the Adviser's Chief Compliance Officer.

As of November 9, 2020, the Adviser managed approximately \$170,000,000 in discretionary assets under management.

Item 5 FEES AND COMPENSATION

5.1.1 Advisory Fees and Compensation

Detailed below is a brief summary of certain fees and expenses paid by the Funds, which may include fees based on performance of the Funds. Investors and prospective investors are advised to review a relevant Fund's offering materials and other constituent documents for a more comprehensive discussion of fees and expenses.

The Adviser and its affiliates do not receive a management Fee for its services (the "**Management Fee**"), which is typically paid either monthly or quarterly, usually in advance, based on the net asset value of a fund at the end of each preceding month or quarter.

Generally, at the end of each fiscal year, the Adviser or one of its affiliates will receive an incentive fee or incentive allocation (the "**Incentive Allocation**"), an amount ranging from 15%-40% (subject to certain conditions) of the realized and unrealized net capital appreciation in the Funds, subject to a modified high-water mark mechanism. The Incentive Allocation is in addition to organizational and operational expenses and other expenses paid by the Funds, as described more fully in the offering documents of the particular Fund, as permitted by 17 C.F.R. 275.205 and/or section 205 of the Advisers Act.

In the sole discretion of the Adviser or its affiliates, the fees above may be waived, reduced or calculated differently with respect to certain interests in a particular Fund.

In some cases, the Adviser or its affiliates receive administrative servicing fees and/or reimbursement of certain expenses from the Funds, as described in the offering documents and

periodic reports of those Funds. These reimbursements are for expenses deemed by HRP in its discretion to be beneficial services to the Funds.

Different share classes within the Funds may have materially different terms, including terms regarding fees charged, minimum subscription, withdrawal or redemption rights, certain reporting and transparency right, and investment options. Pursuant to the Fund's offering documents, the Adviser or an affiliate, is generally permitted to open new share classes, grant requests from existing investors to transfer their interest to new share classes and on occasion also grant interests in new share classes to persons or entities with whom it is affiliated or otherwise associated with HRP.

It is not anticipated at this time, however, the Adviser and/or any of its affiliates, or the Funds are permitted to pay placement fees, certain expenses, and servicing fees to broker-dealers acting as placement agent that place investors for the Funds, as described in the offering documents of the relevant Funds, that may be based on a percentage of the assets initially invested, or assets remaining invested over time, from the investor, or based upon fees received by Adviser, in respect of the investors placed by that placement agent.

5.1.2 Additional Fees and Expenses

The Funds will bear their own expenses and their pro rata share of the expenses of the Master Fund and each CIV, including, but not limited to, the following expenses:

- a) expenses related to the research, due diligence and monitoring of actual and prospective investments (whether or not consummated) and the consummation of investments, fees and expenses related to obtaining research and market data, including information technology hardware, software or other technology (including telecommunications, costs of software licensing, implementation, data management and recovery services and custom development) used to research investments, evaluate and manage risk, facilitate valuations, facilitate accounting functions, facilitate compliance with the rules of any self-regulatory organization or applicable law (including reporting obligations), facilitate and manage the order execution of securities or otherwise manage the HRP Funds, including, but not limited to, Bloomberg terminals, portfolio management systems, risk management systems and order management systems; fees and expenses of third-party risk management products, models and services;
- b) organizational and reorganizational expenses of the Master Fund and each CIV;
- c) operational expenses, including the following: fees and expenses relating to brokerage, prime brokerage and futures commission merchant fees, commissions and expenses incurred for transactions in the HRP Funds; custodial fees and expenses; bank service fees; third-party administrative fees and expenses, and fees and expenses of third-party professionals, including consultants, investment bankers, attorneys and accountants; loan administration costs on loans made by the HRP Funds; the costs of any litigation or investigation involving activities of the HRP Funds; unless such costs would not be an indemnifiable expense, third-party audit and tax preparation expenses; insurance expenses, including all of the premiums for cybersecurity insurance and liability insurance covering the Adviser and its affiliates, the HRP Funds and the members, partners, directors, managers, shareholders, officers, employees and agents of the Adviser and its affiliates; costs of preparing and distributing reports and notices; taxes; expenses incurred in connection with negotiating and complying with provisions of any Side Letter Agreement; fees and expenses related to compliance with the rules of any law, rule or regulation

(including those from self-regulatory organization) in connection with the activities of the HRP Funds, including any governmental, regulatory, licensing, filing or registration fees or taxes (including fees and expenses incurred in connection with the preparation and filing of all necessary regulatory forms for the various regulated entities, including fees relating to access to regulators online filing systems); expenses incurred in connection with the offering and sale of the Interests and other similar expenses related to the Funds, travel expenses related directly to the Funds and investors; extraordinary expenses, including the following: indemnification expenses; fees and expenses incurred in connection with any tax audit by any taxing authority, including any related administrative settlement and judicial review; and fees and expenses incurred in connection with the reorganization, dissolution, winding-up or termination of the HRP Funds;

d) expenses specifically incurred by or for the business operations of each CIV, including brokerage, prime brokerage and futures commission merchant fees; fees and expenses relating to exchange and clearinghouse memberships; regulatory filing fees or any fines incurred; commissions and expenses; expenses relating to short sales; clearing and settlement charges; custodial fees and expenses; bank service fees; interest expenses and fees related to financings or refinancing; vendor service fees; travel expenses for matters relating to a CIV (including meetings with regulators, customers, industry conferences, marketing trips and client visits); expenses or losses incurred by a CIV pursuant to a counterparty or vendor default; and payment of any indemnities or settlements; and

e) expenses of the Adviser (or one or more affiliated management entities), including, without limitation; (i) expenses and administrative overhead on account of providing office space for itself, the HRP Funds (including expenses such as rent, utilities, supplies, secretarial expenses, stationery, charges for furniture, fixtures and equipment), (ii) the salaries, non-performance-related bonuses and benefits paid to professionals and support personnel of the Adviser and related payroll costs, (iii) third-party administrative fees and expenses, and fees and expenses of third-party professionals, including consultants, investment bankers, attorneys and accountants, for services provided exclusively for the benefit of the Adviser, (iv) expenses incurred by the Adviser under clauses (ii)-(iii) in the event of a liquidation, dissolution or wind-up of the Funds, including the costs of retaining specific individuals or companies to facilitate all actions ancillary thereto, (v) expenses incurred in connection with the registration of the Adviser under the Advisers Act, including, without limitation, expenses of standard reports and filings (e.g., Form ADV) made pursuant to the Advisers Act, and expenses directly related to the administration of the Adviser's compliance policies and procedures, and (vi) expenses related to all corporate technology (including, but not limited to, cybersecurity systems, email monitoring, project management systems, computer software), technology required to operate the CIVs (including, but not limited to, Know Your Customer diligence, anti-money laundering checks and surveillance, onboarding platforms, sub-ledgers for clearing and collateral management), and other expenses for technology used exclusively for the benefit of the Adviser or the CIVs.

Generally, all expenses borne by the Funds, other than any expenses that the Adviser determines should be allocated to a particular Partner, Partners or Shareholder (e.g., Investor-Related Taxes), will be debited to all of the Capital Accounts on a pro rata basis in accordance with their Partnership percentages. To the extent that expenses to be borne by the HRP Funds are paid by the Adviser or any of its affiliates, the Funds will reimburse such party for such expenses.

The Funds do not have a predetermined limit on its ordinary or extraordinary operating expenses. The Funds actual annual operating expenses are disclosed in each Fund's year-end audited

financial statements, which are provided to each Limited Partner and Shareholder.

Certain of the Fund's organizational and initial offering expenses may, for accounting purposes, be amortized by the Fund for up to a 60-month period. Amortization of such expenses over a period that is up to 60 months is a divergence from U.S. generally accepted accounting principles ("GAAP"), which might, in certain limited circumstances, result in a qualification of the Fund's annual audited financial statements. If the Fund amortizes its expenses but terminates before such expenses are fully amortized, the unamortized portion of the organizational expenses will be debited against the Fund's assets at that time. If an investor withdraws all or any portion of the balance in its Capital Account(s) prior to the end of the 60-month period during which the Fund is amortizing expenses, the General Partner may, but is not required to, accelerate a proportionate share of the unamortized expenses based upon the amount being withdrawn and reduce withdrawal proceeds by the amount of such accelerated expenses.

5.1.3 Ancillary Fees

The Adviser and its affiliates may earn fees and other income ("**Ancillary Fees**") from services provided or related to portfolio investments or in connection with portfolio investments or prospective portfolio investments, such as, without limitation, advisory fees, due diligence fees, structuring fees, servicing fees, directors' fees, break-up fees or any similar fees. The Adviser does not intend to receive such Ancillary Fees. If in the future the Adviser and/or its affiliates does receive such fees, the Adviser and its affiliates will keep any profits, commissions, fees or other income earned by them in connection with any such activities. Neither Ancillary Fees nor other types of income earned by the Adviser and its affiliates, including all income unrelated to the HRP Fund's activities, will reduce the Incentive Allocation, and the Funds will not participate in any such income.

Item 6 PERFORMANCE-BASED FEES AND SIDE-BY-SIDE MANAGEMENT

As discussed in response to Item 5 above, the Adviser or one of its affiliates receives an incentive allocation from investors in the Funds. This fee arrangement creates a potential conflict of interest. The incentive-based fee may be an incentive for the Adviser to make investments that are riskier or more speculative than would be the case absent an incentive-based fee arrangement. In addition, because incentive-based compensation is calculated on a basis that includes unrealized appreciation of assets, it may be greater than if such compensation were based solely on realized gains.

The fact that the Adviser manages assets for different share classes with the Funds at different fee structures can create a conflict of interest for the Adviser with regard to the allocation of investment opportunities or transactions among clients (i.e. cross trades). As a result, the Adviser's senior management and compliance department strive to identify potential conflicts and address them in a fair and consistent manner.

On occasion, following an investment by one of the HRP Funds, the Adviser has the opportunity to make an additional or follow-on investment in the same or related entity. Sometimes, instead of allocating these opportunities to the same HRP Funds which made the initial investment, the Adviser allocates the opportunity to other HRP Funds or even to strategic outside investors.

Item 7 TYPES OF CLIENTS

The Adviser provides discretionary management services to the HRP Funds, which are organized as domestic or foreign partnerships, incorporated or unincorporated entities, or other similar entities. The Adviser may in the future provide investment advice to other private pooled investment vehicles, separately managed accounts, joint ventures, and other public or private vehicles. The Funds are comprised of various types of investors, including high net worth individuals, pension and profit sharing plans, trusts, estates, charitable organizations, corporations, business entities, endowments, and foreign sovereign wealth funds.

The governing documents applicable to each Fund set forth the eligibility requirements, including minimum subscription amounts for investors in the Funds, which will vary by class. The minimum subscription amount may be waived at the Adviser's discretion.

Item 8 METHODS OF ANALYSIS, INVESTMENT STRATEGIES AND RISK OF LOSS

The methods of analysis, investment strategies and material risks applicable to the Adviser's advisory services are set forth in greater detail in the offering documents provided to each investor in the Funds, which each investor shall rely on. A summary is provided below.

Investments in the Funds are speculative and are suitable only for investors who can tolerate substantial risks. An investor may lose some or all of its investment. There is no assurance that the Funds will be successful and will achieve their investment objectives. An investment should be considered only by sophisticated investors who understand the risks involved. The risks of investing in the Funds include, without limitation, those set forth below.

8.1 Methods of Analysis and Investment Strategies.

8.1.1 Methods of Analysis

The Funds will focus on quantitative credit intermediation, risk transfer and financing, which will be achieved by transacting in exchange-traded derivatives, OTC derivatives, cleared swaps and securities in various products through a number of credit intermediation vehicles as described below. Credit intermediation includes prime brokerage, prime brokerage and agency clearing, financing and clearing services. Risk transfer includes the transfer of positions, credit intermediation, financing risk, and other types of counterparty risk from one counterparty to one or more of the CIVs, the Adviser or its affiliates manage. Financing includes lending collateral to counterparties for the purpose of covering regulatory capital, initial margin and variation margin at various central clearing counterparties, exchanges, clearers, and prime brokers.

8.1.2 Investments Strategies

Our investment strategies include, but are not limited to:

- a) Equity and debt investments
- b) Investments in exchange memberships to facilitate clearing membership by one or more CIV
- c) Cash and securities for the purchase of treasury and yield management
- d) Financing instruments and agreements made to counterparties of the CIVs

e) Cash, spot, derivatives and swaps for the purpose of hedging and/or overlaying risks generated by the CIVs

f) CIVs will credit intermediate, clear and/or finance the following instruments with counterparties:

- i. OTC FX Spot, FX Forwards, and FX Options
- ii. Exchange-Traded Derivatives (agency clearing)
- iii. Cleared Swaps
- iv. OTC Swaps, primarily including equity swaps/CFDs
- v. Securities, including government securities, equities and equity options

g) Borrow, trade on margin, utilize derivatives and otherwise obtain leverage from brokers, banks and others on a secured or unsecured basis

8.2 Material Risks of Investment Strategies

8.2.1 Risk of Loss

No guarantee or representation is made that the Fund's investment program, including the Fund's investment objective, diversification strategies or risk monitoring goals, will be successful. Investment results may vary substantially over time.

No assurance can be made that profits will be achieved or that substantial or complete losses will not be incurred.

8.2.2 Short-Term Market Considerations

The Adviser's trading decisions may be made on the basis of short-term market considerations, and the portfolio turnover rate could result in significant trading related expenses.

8.2.3 Leverage and Borrowing

a) Leverage for Investment Purposes

The use of leverage will allow the CIVs to make additional investments, thereby increasing their exposure to assets, such that its total assets may be greater than its capital. However, leverage will also magnify the volatility of changes in the value of the CIV's portfolio. The effect of the use of leverage by the CIVs 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.

b) Borrowing for Cash Management Purposes

The Funds have the authority to borrow for cash management purposes, such as to satisfy withdrawal requests. The rates at and terms on which the Funds can borrow will affect the operating results of the Funds.

c) Collateral

The instruments and borrowings utilized by the CIVs to leverage investments may be collateralized by all or a portion of the CIV's portfolio. Accordingly, the CIVs may pledge their securities in

order to borrow or otherwise obtain leverage for investment or other purposes. Should the securities pledged to brokers to secure a CIV's margin accounts decline in value, the CIV could be subject to a "margin call", pursuant to which the CIV 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. The banks and dealers that provide financing to the CIVs can apply essentially discretionary margin, "haircut", financing and collateral valuation policies. Changes by counterparties in any of the foregoing may result in large margin calls, loss of financing and forced liquidations of positions at disadvantageous prices. Lenders that provide other types of asset-based or secured financing to the CIVs may have similar rights. There can be no assurance that the HRP Funds will be able to secure or maintain adequate financing.

d) Costs

Borrowings will be subject to interest, transaction and other costs, and other types of leverage also involve transaction and other costs. Any such costs may or may not be recovered by the return on the HRP Fund's portfolio.

8.2.4 Lending of Portfolio Securities

A CIV may lend securities on a collateralized and an uncollateralized basis from its portfolio to creditworthy securities firms and financial institutions. While a securities loan is outstanding, the CIV will continue to receive the equivalent of the interest or dividends paid by the issuer on the securities, as well as interest on the investment of the collateral or a fee from the borrower. The risks in lending securities, as with other extensions of secured credit, if any, consist of possible delay in receiving additional collateral, if any, or in recovery of the securities or possible loss of rights in the collateral, if any, should the borrower fail financially.

8.2.5 Liquidity Risk

Pursuant to any derivative transactions that a CIV may enter into with counterparties or for futures or cleared swaps contracts centrally cleared at a clearinghouse, the CIV, as applicable, will be required to pay margin on such transactions. This requirement to pay margin or collateral may cause a liquidity shortfall at the CIV to the extent that positions are held on behalf of counterparties or customers and sufficient margin amounts have not been received from such counterparty or customer to support the relevant transaction. The CIV may need to borrow amounts to support such margin obligations and incur borrowing fees.

8.2.6 Diversification and Concentration

The Adviser may select investments that are concentrated in a limited number or types of securities (and counterparties). In addition, the CIV's portfolio may become significantly concentrated in securities related to a single or a limited number of issuers, industries, sectors, strategies, countries or geographic regions. This limited diversification may result in the concentration of risk, which, in turn, could expose the HRP Funds to losses disproportionate to market movements in general if there are disproportionately greater adverse price movements in such securities.

8.2.7 Hedging Transactions

The Funds and the CIV's may utilize securities, derivatives or other financial instruments for risk management purposes in order to: (i) protect against possible changes in the market value of the CIV's investment portfolio resulting from fluctuations in the markets and changes in interest rates; (ii) protect the CIV's unrealized gains in the value of its investment portfolio; (iii) facilitate the

sale of any securities, derivatives or other financial instruments; (iv) enhance or preserve returns, spreads or gains on any security, derivatives or other financial instruments in the CIV's portfolio; (v) hedge against a directional trade; (vi) hedge the interest rate, credit or currency exchange rate on any of the CIV's securities, derivatives or other financial instruments; (vii) protect against any increase in the price of any securities, derivatives or other financial instruments a CIV anticipates purchasing at a later date; or (viii) act for any other reason that the Adviser deems appropriate. The Funds or a CIV will not be required to hedge any particular risk in connection with a particular transaction or its portfolio generally. The Adviser may be unable to anticipate the occurrence of a particular risk and, therefore, may be unable to attempt to hedge against it. While the Funds or a CIV may enter into hedging transactions to seek to reduce risk, such transactions may result in a poorer overall performance for the Funds than if the Funds or a CIV had not engaged in any such hedging transaction. Moreover, the portfolio will always be exposed to certain risks that cannot be hedged.

8.2.8 Discretion of the Adviser; New Strategies and Techniques

While the Adviser will generally seek to employ the representative investment strategies and techniques discussed herein, the Adviser, along with its affiliates have a considerable discretion in the types of securities, derivatives or other financial instruments the CIVs may trade and has the right to modify the investment strategies and techniques of the Funds and CIVs without the consent of the Investors in the Funds. New investment strategies and techniques may not be thoroughly tested in the market before being employed and may have operational or theoretical shortcomings which could result in unsuccessful trades and, ultimately, losses to the Funds. In addition, any new investment strategy or technique developed by the Adviser may be more speculative than earlier investment strategies and techniques and may involve material and as-yet-unanticipated risks that could increase the risk of an investment in the Funds.

8.3 Risks Relating to Methods of Analysis

8.3.1 Quantitative Analysis

a) Quantitative Model Risk and Risk Management Danger

There can be no assurance that the models used by the Adviser will continue to be viable. The use of a model that is not viable or not completely viable could, at any time, have a material adverse effect on the performance of the Funds. There can be no assurance that the Funds will achieve its investment objectives or that the models (even if completely or partially viable) will continue to further or ultimately be capable of furthering the Fund's investment objectives.

Risk management techniques are based in part on the observation of historical market behavior, which may not predict market divergences that are larger than historical indicators. Also, information used to manage risks may not be accurate, complete or current, and such information may be subject to misinterpretation. In the complex environment in which the Adviser operates, effective risk management depends upon many factors, not all of which may be properly identified, and effective assessment, analysis, process creation, control or treatment of risks could be difficult to implement. For the sake of clarity and without limitation, though losses arising from quantitative model risks could adversely affect the Fund's performance, such losses would likely not constitute reimbursable trade errors under the Adviser's policies or the Investment Management Agreements of the Funds.

At times the Adviser may manually override or shut down the operations of a quantitative model. This would generally be done in an effort to mitigate the damage from a deteriorating or

malfunctioning model or a model that is reacting negatively to unforeseen market conditions. Such an override or intervention could result in greater losses than would be the case if there had been no intervention and/or could result in the model being overridden or inactive at a time when the model would have achieved gains for the portfolio.

b) Obsolescence Risk

The Funds are unlikely to be successful unless the assumptions underlying the models are realistic and either remain realistic and relevant in the future or are adjusted to account for changes in the overall market environment. If such assumptions are inaccurate or become inaccurate and are not promptly adjusted, it is likely that profitable trading signals will not be generated. If and to the extent that the models do not reflect certain factors, and the Adviser does not successfully address such omission through its testing and evaluation and modify the models accordingly, major losses may result. The Adviser will continue to test, evaluate and add new models, as a result of which the existing models may be modified from time to time. Any modification of the models or strategies will not be subject to any requirement that Investors in the Funds receive notice of the change or that they consent to it. There can be no assurance as to the effects (positive or negative) of any modification on the Fund's performance. For the sake of clarity and without limitation, though losses arising from obsolescence risks could adversely affect the Fund's performance, such losses would likely not constitute reimbursable trade errors under the Adviser's policies or the Investment Management Agreement of the Funds.

c) Crowding/Convergence

There is significant competition among quantitatively-focused managers and the ability of the Adviser to deliver returns that have a low correlation with the broader global markets and other hedge funds is dependent on its ability to employ models that are simultaneously profitable and differentiated from those employed by other managers. To the extent that the Adviser is not able to develop sufficiently differentiated models, the Investors' investment objectives may not be met, irrespective of whether the models are profitable in an absolute sense. In addition, to the extent that the Adviser's models come to resemble those employed by other managers, the risk that a market disruption that negatively affects predictive models will adversely affect the Funds are increased, as such a disruption could accelerate reductions in liquidity or rapid repricing due to simultaneous trading across a number of funds in the marketplace. For the sake of clarity and without limitation, though losses arising from crowding/convergence risks could adversely affect the Fund's performance, such losses would likely not constitute reimbursable trade errors under the Adviser's policies or the Investment Management Agreement of the Funds.

d) Risk of Programming and Modeling Errors

The research and modeling process engaged in by the Adviser is extremely complex and involves financial, economic, econometric and statistical theories, research and modeling; the results of that process must then be translated into computer code. Although the Adviser seeks to hire individuals skilled in each of these functions and to provide appropriate levels of oversight, the complexity of the individual tasks, the difficulty of integrating such tasks, and the limited ability to perform "real world" testing of the end product raise the chances that the finished model may contain an error. For the sake of clarity and without limitation, though losses arising from programming and modeling errors could adversely affect the Fund's performance, such losses would likely not constitute reimbursable trade errors under the Adviser's policies or the Investment Management Agreement of the Funds.

e) Involuntary Disclosure Risk

The ability of the Adviser to achieve its investment goals for the Funds are dependent in large part on its ability to develop and protect its models and proprietary research. The models and proprietary research and the Models and Data, as defined below, are largely protected by the Adviser through the use of policies, procedures, agreements, and similar measures designed to create and enforce robust confidentiality, non-disclosure, and similar safeguards. However, aggressive position-level public disclosure obligations (or disclosure obligations to exchanges or regulators with insufficient privacy safeguards) could lead to opportunities for competitors to reverse-engineer the Adviser's models, and thereby impair the relative or absolute performance of the Funds.

f) Proprietary Trading Methods

Because the trading methods employed by the Adviser on behalf of the Funds are proprietary to the Adviser, an Investor will not be able to determine any details of such methods or whether they are being followed.

g) Model and Data Risk

The Adviser will rely heavily on quantitative and systematic models (both proprietary models developed by the Adviser, and those supplied by third parties) and information and data supplied by third parties ("**Models and Data**"). Models and Data can be used to construct sets of transactions and investments, to value investments or potential investments (whether for trading purposes, or for the purpose of determining the net asset value of the Funds), to provide risk management insights, and to assist in hedging the CIV's exposure.

When Models and Data prove to be incorrect, misleading or incomplete, any decisions made in reliance thereon expose the Funds to potential risks. For example, by relying on Models and Data, the Adviser may be induced to buy certain investments at prices that are too high, to sell certain other investments at prices that are too low, or to miss favorable opportunities altogether. Similarly, any hedging based on faulty Models and Data may prove to be unsuccessful.

All models rely on correct market data inputs. Because the Adviser's models are usually constructed based on, or employ, historical or current market data supplied by third parties, the success of relying on Models and Data may depend heavily on the accuracy and reliability of the supplied data, which can contain errors.

For the sake of clarity and without limitation, though Model and Data risks could adversely affect the Fund's performance, losses that arise as a result of the use of Models and Data likely would not constitute reimbursable trade errors under the Adviser's policies or the Investment Management Agreement of the Funds.

h) Correlation Risk

The Funds may be exposed to correlated risks. These occur when funds and other investors hold similar positions and employ similar strategies, resulting in intensified risks leading to potential cascading loss in times of market stress.

Quantitative traders can be particularly susceptible to this type of correlation risk as a result of convergence in their automated trading algorithms and positions held. The high leverage and hedging techniques that many arbitrage-driven quantitative hedge fund managers use can further

magnify the effects of correlation risk.

8.3.2 Fundamental Analysis

Certain trading decisions made by the Adviser may be based on fundamental analysis. Data on which fundamental analysis relies may be inaccurate or may be generally available to other market participants. To the extent that any such data are inaccurate or that other market participants have developed, based on such data, trading strategies similar to the CIV's trading strategies, the Funds may not be able to realize their investment goals. In addition, fundamental market information is subject to interpretation. To the extent that the Adviser misinterprets the meaning of certain data, the Funds may incur losses.

8.4 Risks Relating to Market Conditions Generally

8.4.1 General Economic and Market Conditions

The success of the HRP Funds' activities will be affected by general economic and market conditions, such as interest rates, availability of credit, credit defaults, inflation rates, economic uncertainty, changes in laws (including laws relating to taxation of the Fund's investments or CIV's income), trade barriers, currency exchange controls, and national and international political circumstances (including wars, terrorist acts or security operations). These factors may affect the level and volatility of the prices and the liquidity of the HRP Fund's investments. Volatility or illiquidity could impair the Fund's profitability or result in losses. The CIV's may maintain substantial trading positions that can be adversely affected by the level of volatility in the financial markets.

8.4.2 Governmental Interventions

Extreme volatility and illiquidity in markets has in the past led to, and may in the future lead to, extensive governmental interventions in equity, credit and currency markets. Generally, such interventions are intended to reduce volatility and precipitous drops in value. In certain cases, governments have intervened on an "emergency" basis, suddenly and substantially eliminating market participants' ability to continue to implement certain strategies or manage the risk of their outstanding positions. In addition, these interventions have typically been unclear in scope and application, resulting in uncertainty. It is impossible to predict when these restrictions will be imposed, what the interim or permanent restrictions will be and/or the effect of such restrictions on the Fund's strategies.

8.4.3 Potential Interest Rate Increases

The United States has experienced a sustained period of historically low interest rate levels. In recent years, however, short-term and long-term interest rates have risen. The uncertainty of the U.S. and global economy, changes in U.S. government policy, and changes in the federal funds rate, increase the risk that interest rates will remain volatile in the future. Sustained future interest rate volatility may cause the value of the fixed income securities held by the CIV to decrease, which may result in substantial withdrawals from the Funds that, in turn, force the CIVs to liquidate such securities at disadvantageous prices negatively impacting the performance of the Funds.

8.4.4 Discontinuation of LIBOR

It is expected that the London Interbank Offered Rate ("LIBOR"), which is commonly used as a reference rate within various financial contracts (any such rate, a "Reference Rate"), will not be published after the year 2021. In anticipation of the end of LIBOR, the United States and other

countries are currently working to replace LIBOR with alternative Reference Rates. As a general matter, the expected discontinuation of LIBOR may significantly impact financial markets; specifically, discontinuation may impact financial contracts to which the CIVs are a party. Generally, the transition to alternative Reference Rates may (i) cause the value of a Reference Rate to be uncertain or to be lower or more volatile than it would otherwise be; (ii) result in uncertainty as to the functioning, liquidity or value of certain financial contracts; (iii) involve actions of regulators or rate administrators that adversely affect certain markets or specific financial contracts; and (iv) impact the strategy, products, processes, legal positions and information systems of market participants, including the CIVs and their counterparties. With respect to financial contracts to which a CIV is a party, any such contract that has a maturity that extends beyond 2021 and uses LIBOR as a Reference Rate (other than contracts that include curative fallback language or other curative mechanisms) may need to be renegotiated, the process of which will consume resources of the CIV and may result in disputes among counterparties, the result of which may be adverse to the Funds. Considered in their entirety, the impacts of the discontinuation of LIBOR on financial markets generally and on the specific financial contracts to which CIV is a party may adversely affect the performance of the Funds.

8.4.5 Brexit

The United Kingdom formally withdrew from the European Union on January 31, 2020. The ongoing withdrawal process could cause an extended period of uncertainty and market volatility, not just in the United Kingdom but throughout the European Union, the European Economic Area and globally. It is not possible to ascertain the precise impact these events may have on the Funds or the Adviser from an economic, financial or regulatory perspective but any such impact could have material consequences for the Funds.

8.4.6 MiFID II

The package of European Union market infrastructure reforms known as “**MiFID II**”, in effect from January 3, 2018, is expected to have a significant impact on the European capital markets.

MiFID II increases regulation of trading platforms and firms providing investment services in the European Union. Among its many market infrastructure reforms, MiFID II has brought in: (i) significant changes to pre- and post-trade transparency obligations applicable to financial instruments admitted to trading on EU trading venues (including a new transparency regime for non-equity financial instruments); (ii) an obligation to execute transactions in shares and derivatives on an EU regulated trading venue; and (iii) a new focus on regulation of algorithmic and high frequency trading. These reforms may lead to a reduction in liquidity in certain financial instruments, as some of the sources of liquidity exit European markets and may result in significant increases in transaction costs.

Other regulatory changes, such as an increase in the scope of commodities and commodity derivatives regulation, including position limits and position management powers could similarly lead to liquidity reduction and/or an increase in costs and spreads in the European commodities markets.

Although the full impact of these reforms is difficult to assess at present, it is possible that the resulting changes in the available trading liquidity options and increases in transactional costs may have an adverse effect on the ability of the Adviser to execute the investment program.

New rules requiring unbundling the costs of research and other services from dealing commission

and further restrictions on the Adviser's ability to receive certain types of goods and services from brokers may also result in an increase in the investment-related expenditure of the Funds.

8.5 Risks Relating to Specific Sectors and Types of Companies

8.5.1 Micro-, Small- and Medium-Capitalization Companies

Investments in securities (or as counterparties) of micro- and small-capitalization companies involve higher risks in some respects than do investments in securities of larger "blue-chip" companies. For example, prices of securities of micro- and small-capitalization and even medium-capitalization companies are often more volatile than prices of securities of large-capitalization companies and may not be based on standard pricing models that are applicable to securities of large-capitalization companies. Furthermore, the risk of bankruptcy or insolvency of many smaller companies (with the attendant losses to investors) may be higher than for larger, "blue-chip" companies. Finally, due to thin trading in the securities of some micro- and small-capitalization companies, an investment in those companies may be illiquid.

8.5.2 Investment and Trading Out of Sector

The CIVs may trade in regions other than the Americas, EMEA, and APACJ, including for hedging purposes and/or on an opportunistic basis. Although out-of-sector positions are not expected to represent core positions, the profit or loss from those positions could have a material impact on the Fund's performance.

8.6 Risks Relating to Operating as an Intermediary/Clearer

Operating as a clearer and/or intermediary in various markets involves certain unique risks that may not be present in traditional investment management programs.

8.6.1 Liquidity Risk

Depending on the rules and regulations of various markets, the HRP Funds may be required to fund obligations related to its clearing activities in advance of receiving additional funding from its counterparties such as central clearing counterparties/clearinghouses, bilateral counterparties, prime brokers, and correspondent clearers. Liquidity requirements may arise from factors that the Adviser is unable to anticipate in advance such as extreme market moves, reevaluation of a credit by a prime broker, change in margin methodology and/or levels at a central clearing counterparty. The HRP Funds makes no representation that it will be able to meet all liquidity needs on a timely basis which could lead to the liquidation of existing transactions, including hedged positions, and event of default action being undertaken against the HRP Funds by the entity requiring the funding of obligations. In certain instances, this may trigger events of default and termination events across other documentation entered into by the HRP Funds which may cause further liquidity needs.

8.6.2 Compliance Risk

The HRP Funds are obligated to comply with compliance rules in each jurisdiction that require significant ongoing monitoring and compliance responsibility (including, but not limited to, registration with the local financial authority, registration and supervision of key individuals, rules governing protection of customer assets, cash, collateral and positions, capital rules specific to clearing activities, record retention, transactional and real time reporting). Intermediaries/clearers are recognized in many jurisdictions as having additional responsibilities as compared to users of the market. Failure to comply with such rules and regulations may expose the HRP Funds to regulatory censure, fines, withdrawal of regulatory license and litigation risk from regulators or

counterparties and reputational risk.

8.6.3 External Systems Risk

The HRP Funds are dependent on systems to be able to successfully operate on a daily basis. Many of these systems are outside the daily control of the HRP Funds. These systems include but are not limited to CME Clearing (and surrounding systems), Fedwire, Traiana Harmony and Netlink, FICC Clearing (and surrounding systems), credit checking systems, various trading systems, electronic communication networks (“ECN”), automated trading systems (“ATS”), OMS, ISVs and exchanges on which customers are transacting. The HRP Funds depend on these systems for connectivity, risk management, and communication. Failure of any of these systems to operate in a normal manner could leave the HRP Funds exposed to potential dislocations and loss.

8.6.4 Matching and Guarantee Risk

The nature of the credit intermediation provides that certain CIVs will have a matched transactions against two counterparties for each trade whereby the CIV is generally flat risk on the positions it holds. To the extent that there is a dislocation in the position or a failure to pay margin by a counterparty on the matched transactions, the CIV would need to close-out such position against the counterparty and otherwise hedge or enter into a corresponding new transaction with another counterparty to retain a flat risk position. Such close-out, hedge or new transaction may result in the CIV incurring a loss, which could be sizeable during a volatile market period. In addition, the nature of credit intermediation requires the CIVs to take in certain transactions within pre-agreed limits and parameters. The CIVs will have the right to adjust such limits and parameters on acceptance of transactions however there may be a situations where the CIV has to accept transactions in unfavorable market conditions.

8.6.5 Risk Related to Clearinghouse Memberships

In certain jurisdictions and products, the CIVs will be required to obtain clearinghouse memberships (or similar memberships) to lawfully conduct business. One such membership in the United States is clearing as a member of the CME. Clearinghouses are generally highly regulated and have prescriptive rules relating to membership including contribution to the guarantee fund and requirements on additional contributions to the guarantee fund. Being a member of a clearinghouse comes with certain risks that may or may not be hedgeable by the HRP Funds. These risks include, but are not limited to, the mutualization of member risk across all members of the clearinghouse. It may be the case that a default by a member, unrelated to the HRP Funds, could cause a loss large enough at the clearinghouse that the HRP Funds will be required to participate in loss-sharing and/or increased guarantee funds to shore up the clearinghouse.

8.7 Risks Relating to Specific Investments

8.7.1 Derivative Instruments

Certain swaps, options and other derivative instruments may be subject to various types of risks, including market risk, liquidity risk, credit risk, legal risk and operations risk. The regulatory and tax environment for derivative instruments in which a CIV may participate is evolving, and changes in the regulation or taxation of such instruments may have a material adverse effect on the Funds.

a) Regulation in the Derivatives Industry

There are many rules related to derivatives that may negatively impact the Funds, such as requirements related to recordkeeping, reporting, portfolio reconciliation, central clearing, minimum margin for uncleared over-the-counter (“OTC”) instruments and mandatory trading on electronic facilities, and other transaction-level obligations. Parties that act as dealers (and clearers) in swaps, are also subject to extensive business conduct standards, additional “know your counterparty” obligations, documentation standards and capital requirements. All of these requirements add costs to the legal, operational and compliance obligations of the Adviser and the Funds, and increase the amount of time that the Adviser spends on non-investment-related activities. Requirements such as these also raise the costs of entering into derivative transactions, and these increased costs will likely be passed on to the Funds.

These rules are operationally and technologically burdensome for the Adviser and the Funds. These compliance obligations require employee training and use of technology, and there are operational risks borne by the Funds in implementing procedures to comply with many of these additional obligations.

These regulations may also result in the CIVs forgoing the use of certain trading counterparties (such as broker-dealers and futures commission merchants), as the use of other parties may be more efficient for the CIV from a regulatory perspective. However, this could limit a CIV’s trading activities, create losses, preclude a CIV from engaging in certain transactions or prevent a CIV from trading at optimal rates and terms.

Many of these requirements were implemented under legislation intended to reform the U.S. financial regulatory system, the EU Regulation on OTC Derivatives, Central Counterparties and Trade Repositories (known as the European Market Infrastructure Regulation, or “EMIR”) and similar regulations globally. In the United States, regulatory responsibility for derivatives is divided between the SEC and the CFTC, a distinction that does not exist in any other jurisdiction. The SEC has regulatory authority over “security-based swaps” and the CFTC has regulatory authority over “swaps”. EMIR is being implemented in phases through the adoption of delegated acts by the European Commission. As a result of the SEC and CFTC bifurcation and the different pace at which the SEC, the CFTC, the European Commission and other international regulators have promulgated necessary regulations, different transactions are subject to different levels of regulation. Though many rules and regulations have been finalized, there are others, particularly SEC regulations with respect to security-based swaps, that are still in the proposal stage or are expected to be introduced in the future.

The following describes derivatives regulations that may have the most significant impact on the HRP Funds:

i. Reporting

Most swap transactions have become subject to anonymous “real time reporting” requirements, meaning that information relating to transactions entered into by the CIV will become visible to the market in ways that may impair a CIV’s ability to enter into additional transactions at comparable prices or could enable competitors to “front run” or replicate the CIV’s strategies.

ii. Central Clearing

In order to mitigate counterparty risk and systemic risk in general, various U.S. and international

regulatory initiatives, including EMIR, are underway to require certain derivatives to be cleared through central clearinghouses. In the United States, clearing requirements mandates affect certain interest rate and credit default swaps. The CFTC and the SEC may introduce clearing requirements for additional classes of derivatives in the future. EMIR also requires OTC derivatives contracts meeting specific criteria to be cleared through central counterparties.

While such clearing requirements may be beneficial for the CIVs in many respects (for instance, they may reduce the counterparty risk to the dealers to which a CIV would be exposed under non-cleared derivatives), a CIV could be exposed to new risks, such as the risk that an increasing percentage of derivatives will be required to be standardized and/or cleared through central clearinghouses, and, as a result, the CIV may not be able to hedge its risks or express an investment view as well as it would have been able to had it used customizable derivatives available in the over-the-counter markets. A CIV may have to split its derivatives portfolio between centrally cleared and over-the-counter derivatives, which may result in operational inefficiencies and an inability to offset risk between centrally cleared and over-the counter positions, and which could lead to increased costs.

Another risk is that a CIV may be subject to more onerous and more frequent (daily or even intraday) margin calls from both the CIV's FCM and the clearinghouse, both in the case of futures and cleared swaps clearinghouses and securities clearinghouses. Virtually all margin models utilized by the clearinghouses are dynamic, meaning that unlike traditional bilateral swap contracts where the amount of initial margin posted on the contract is typically static throughout the life of the contract, the amount of the initial margin that is required to be posted in respect of a cleared contract will fluctuate, sometimes significantly, throughout the life of the contract. The dynamic nature of the margin models utilized by the clearinghouses and the fact that the margin models might be changed at any time may subject a CIV to an unexpected increase in collateral obligations by clearinghouses during a volatile market environment, which could have a detrimental effect on the CIVs. Clearinghouses also limit collateral that they will accept to cash, U.S. treasuries and, in some cases, other highly rated sovereign and private debt instruments, which may require a CIV to borrow eligible securities from a dealer to meet margin calls and raise the costs of cleared trades to the CIV. In addition, clearinghouses may not allow a CIV to portfolio-margin its positions, which may increase a CIV's costs.

Although standardized clearing for derivatives is intended to reduce counterparty risk (for instance, it may reduce the counterparty risk to the dealers to which a CIV would have been exposed under OTC derivatives), it does not eliminate risk. Derivatives clearing may also lead to concentration of counterparty risk, namely in the clearinghouse and a CIV's FCM, subjecting the CIV to the risk that the assets of the FCM are insufficient to satisfy all of the FCM's payment obligations, leading to a payment default. The failure of a clearinghouse or FCM could have a significant impact on the financial system. Even if a clearinghouse does not fail, large losses could force significant capital calls on FCMs during a financial crisis, which could lead FCMs to default and thus worsen the crisis.

iii. Swap Execution Facilities

In addition to the central clearing requirement, certain swap transactions are required to trade on regulated electronic platforms such as swap execution facilities, which requires a CIV to subject itself to regulation by these venues and subject the CIV to the jurisdiction of the CFTC. CFTC rules governing the operation of SEFs continue to evolve; the SEC has yet to finalize rules related

to security-based SEFs.

The EU regulatory framework governing derivatives is set not only by EMIR but also a legislative package known as a recast of the MiFID II. Among other things, MiFID II requires transactions in derivatives to be executed on regulated trading venues.

It is not clear whether these trading venues will benefit or impede liquidity, or how they will fare in times of market stress. Trading on these trading venues may increase the pricing discrepancy between assets and their hedges as products may not be able to be executed simultaneously, therefore increasing basis risk. It may also become relatively expensive for a CIV to obtain tailored swap products to hedge particular risks in its portfolio due to higher collateral requirements on bilateral transactions as a result of these regulations.

iv. Margin Requirements for Non-Cleared Swaps

Rules issued by U.S., EU and other regulators globally (the “**Margin Rules**”) impose various margin requirements on all swaps that are not centrally cleared, including the establishment of minimum amounts of initial margin that must be posted, and, in some cases, the mandatory segregation of initial margin with a third-party custodian. Although the Margin Rules are intended to increase the stability of the derivatives market, the overall amount of margin that a CIV will be required to post to swap counterparties may increase by a material amount, and as a result the CIV may not be able to deploy capital as effectively. Additionally, to the extent a CIV is required to segregate initial margin with a third party custodian, additional costs will be incurred by the Funds.

8.7.2 Call and Put Options

A CIV may incur risks associated with the sale and purchase of call options and put options. Under a conventional cash-settled option, the purchaser of the option pays a premium in exchange for the right to receive upon exercise of the option (i) in the case of a call option, the excess, if any, of the reference price or value of the underlier (as determined pursuant to the terms of the option) above the option’s strike price or (ii) in the case of a put option, the excess, if any, of the option’s strike price above the reference price or value of the underlier (as so determined). Under a conventional physically settled option structure, the purchaser of a call option has the right to purchase a specified quantity of the underlier at the strike price, and the purchaser of a put option has the right to sell a specified quantity of the underlier at the strike price.

A purchaser of an option may suffer a total loss of premium (plus transaction costs) if that option expires without being exercised. An option’s time value (i.e., the component of the option’s value that exceeds the in-the-money amount) tends to diminish over time. Even though an option may be in-the-money to the purchaser at various times prior to its expiration date, the purchaser’s ability to realize the value of an option depends on when and how the option may be exercised. For example, the terms of the transaction may provide for the option to be exercised automatically if it is in-the-money on the expiration date. Conversely, the terms may require timely delivery of a notice of exercise, and exercise may be subject to other conditions (such as the occurrence or non-occurrence of certain events, such as knock-in, knock-out or other barrier events) and timing requirements, including the “style” of the option.

Uncovered option writing (i.e., selling an option when the seller does not own a like quantity of an offsetting position in the underlier) exposes the seller to potentially significant loss. The potential loss of uncovered call writing is unlimited. The seller of an uncovered call may incur large losses if the reference price or value of the underlier increases above the exercise price by

more than the amount of any premiums earned. As with writing uncovered calls, the risk of writing uncovered put options is substantial. The seller of an uncovered put option bears a risk of loss if the reference price or value of the underlier declines below the exercise price by more than the amount of any premiums earned. Such loss could be substantial if there is a significant decline in the value of the underlier.

8.7.3 Index or Index Options

The value of an index or index option fluctuates with changes in the market values of the assets included in the index. Because the value of an index or index option depends upon movements in the level of the index rather than the price of a particular asset, whether a CIV will realize appreciation or depreciation from the purchase or writing of options on indices depends upon movements in the level of instrument prices in the assets generally or, in the case of certain indices, in an industry or market segment, rather than movements in the price of particular assets.

8.7.4 Index Futures

The price of index futures contracts may not correlate perfectly with the movement in the underlying index because of certain market distortions. First, all participants in the futures market are subject to margin deposit and maintenance requirements. Rather than meeting additional margin deposit requirements, participants may close futures contracts through offsetting transactions that would distort the normal relationship between the index and futures markets. Second, from the point of view of speculators, the deposit requirements in the futures market are less onerous than margin requirements in the securities market. Therefore, increased participation by speculators in the futures market also may cause price distortions. Successful use of index futures contracts by the CIVs also is subject to the Adviser's ability to correctly predict movements in the direction of the market.

8.7.5 Credit Default Swaps

Credit default swaps can be used to implement the Adviser's view that a particular credit, or group of credits, will experience credit improvement or deterioration. In the case of expected credit improvement, a CIV may sell credit default protection in which it receives a premium to take on the risk. In such an instance, the obligation of the CIV to make payments upon the occurrence of a credit event creates leveraged exposure to the credit risk of the referenced entity. The CIV may also buy credit default protection with respect to a referenced entity if, in the Adviser's judgment, there is a high likelihood of credit deterioration. In such instance, the CIV will pay a premium regardless of whether there is a credit event.

8.7.6 Futures Contracts

The value of futures contracts depends upon the price of the securities, such as commodities, underlying them. The prices of futures contracts 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, as well as national and international political and economic events and policies. In addition, investments in futures contracts are also subject to the risk of the failure of any of the exchanges on which a CIV's positions trade or of its clearinghouses 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 a CIV from promptly liquidating unfavorable positions and subject a CIV to substantial losses or prevent it from entering into desired trades. Also, low margin or premiums normally required in such trading may provide a large amount of leverage, and a relatively small change in the price of a security or contract can produce a disproportionately larger profit or loss. 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.

8.7.7 Non-U.S. Futures Transactions

Foreign futures transactions involve executing and clearing trades on a foreign exchange. This is the case even if the foreign exchange is formally “linked” to a domestic exchange, whereby a trade executed on one exchange liquidates or establishes a position on the other exchange. No domestic organization regulates the activities of a foreign exchange, including the execution, delivery, and clearing of transactions on such an exchange, and no domestic regulator has the power to compel enforcement of the rules of the foreign exchange or the laws of the foreign country. Moreover, such laws or regulations will vary depending on the foreign country in which the transaction occurs. For these reasons, a CIV may not be afforded certain of the protections which apply to domestic transactions, including the right to use domestic alternative dispute resolution procedures. In particular, funds received from customers to margin foreign futures transactions may not be provided the same protections as funds received to margin futures transactions on domestic exchanges. In addition, the price of any foreign futures or option contract and, therefore, the potential profit and loss resulting therefrom, may be affected by any fluctuation in the foreign exchange rate between the time the order is placed and the time the foreign futures contract is liquidated or the time the foreign option contract is liquidated or exercised.

8.7.8 Forward Contracts

The CIVs may enter into forward contracts and options thereon, including non-deliverable forwards. The principals who deal in the forward contract market are not required to continue to make markets in such contracts. There have been periods during which certain participants in forward markets have refused to quote prices for forward contracts or have quoted prices with an unusually widespread between the price at which they were prepared to buy and that at which they were prepared to sell. The imposition of credit controls or price risk limitations by governmental authorities may limit such forward trading to less than that which the Adviser would otherwise recommend, to the possible detriment of the CIV. In its forward trading, the CIV will be subject to the risk of the failure of, or the inability or refusal to perform with respect to its forward contracts by, the principals with which the CIV trades. CIV assets on deposit with such principals will also generally not be protected by the same segregation requirements imposed on certain regulated brokers in respect of customer funds on deposit with them. The Adviser may order trades for the CIVs in such markets through agents. Accordingly, the insolvency or bankruptcy of such parties could also subject the CIVs to the risk of loss.

8.7.9 Contracts for Differences

Contracts for differences (“CFDs”) are privately negotiated contracts between two parties, buyer and seller, stipulating that the seller will pay to or receive from the buyer the difference between the nominal value of the underlying instrument at the opening of the contract and that instrument’s

value at the end of the contract. The underlying instrument may be a single security, stock basket or index. A CFD can be set up to take either a short or long position on the underlying instrument. The buyer and seller are both required to post margin, which is adjusted daily. The buyer will also pay to the seller a financing rate on the notional amount of the capital employed by the seller less the margin deposit. As is the case with trading any financial instrument, there is the risk of loss associated with trading a CFD. There may be liquidity risk if the underlying instrument is illiquid because the liquidity of a CFD is based on the liquidity of the underlying instrument. A further risk is that adverse movements in the underlying security will require the posting of additional margin. CFDs also carry counterparty risk, i.e., the risk that the counterparty to the CFD transaction may be unable or unwilling to make payments or to otherwise honor its financial obligations under the terms of the contract. If the counterparty were to do so, the value of the contract may be reduced. Entry into a CFD transaction may, in certain circumstances, require the payment of an initial margin and adverse market movements against the underlying stock may require additional margin payments. CFDs may be considered illiquid. To the extent that there is an imperfect correlation between the return on a CIV's obligation to its counterparty under the CFDs and the return on related assets in its portfolio, the CFD transaction may increase the CIV's financial risk.

8.7.10 Failure to Enter into Offsetting Trade

To the extent a CIV invests in a futures contract or long option, unless an offsetting trade is made, the CIV may be required to take physical delivery of the commodity underlying the future or option. To the extent the Adviser fails to enter into such offsetting trade prior to the expiration of the contract, the CIV may suffer a loss since neither the CIV nor the Adviser has the operational capacity to accept physical delivery of commodities.

8.7.11 Exotic Options

Exotic options are typically, but not always, traded over-the-counter. OTC contracts may not trade in a liquid market and pricing may be opaque. The illiquidity of these markets can be exacerbated in times of market stress. A CIV may incur substantial costs entering into and exiting positions that could have a material impact on performance. Exotic options may be subject to a higher degree of pricing risk as demonstrated by instances in which different counterparties in the market employ different valuation and pricing methodologies to the same exotic option. Because exotic options can often be highly customised, there is lower visibility with respect to the pricing and valuation of these instruments. Exotic options may be subject to high levels of price volatility. For example, in the case of barrier options, as the price of the asset underlying the option trades closer to a barrier level, the delta of the option (i.e., the ratio of the change in the price of the underlying asset to the corresponding change in the price of the option) and the gamma of the option (i.e., the rate of change of the delta with respect to the underlying asset's price) may become very high. Exotic options may be subject to higher levels of model risk than commonly traded options because standard models are not able to adequately capture or predict the risks associated with the exotic options. Exotic options may be "path dependent". This means that their terminal value (at exercise or expiration) depends upon the value of the underlying asset, not only at the time of exercise or expiration, but also at prior points in time. In this sense, the option's terminal value depends upon the "path" taken by the underlying asset over the life of the option. For example, a barrier option's value at expiration depends upon both the value of the underlying asset at expiration and whether the past value of the underlying asset ever satisfied a barrier condition. In contrast, a vanilla option (e.g., a call option) is not path dependent. Its value at exercise or expiration depends on the value of the underlying asset only at that point in time. The additional

features incorporated by exotic options require additional judgments regarding the likelihood of certain conditions being satisfied, any one of which can result in loss if made incorrectly. An OTC option may be closed out only with the counterparty, although either party may engage in an offsetting transaction that puts that party in the same economic position as if it had closed out the option with the counterparty; however, the exposure to counterparty risk may differ. OTC options generally involve greater credit and counterparty risk than exchange-traded options.

8.7.12 Illiquid Securities

Certain securities may be illiquid because, for example, they are subject to legal or other restrictions on transfer or there is no liquid market for such securities. Valuation of such securities may be difficult or uncertain because there may be limited information available about the issuers of such securities. The market prices, if any, for such securities tend to be volatile and may not be readily ascertainable, and a CIV 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 restricted and illiquid securities 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 over-the-counter markets. A CIV may not be able to readily dispose of such illiquid investments and, in some cases, may be contractually prohibited from disposing of such investments for a specified period of time. As a result, the CIV may be required to hold such securities despite adverse price movements. Even those markets which the Adviser expects to be liquid can experience periods, possibly extended periods, of illiquidity. Occasions have arisen in the past where previously liquid investments have rapidly become illiquid.

8.7.13 Repurchase and Reverse Repurchase Agreements

In a reverse repurchase transaction, a CIV “buys” securities issued from a broker-dealer or financial institution, subject to the obligation of the broker-dealer or financial institution to repurchase such securities at the price paid by the CIV, plus interest at a negotiated rate. The use of repurchase and reverse repurchase agreements by the CIV involves certain risks. For example, if the seller of securities to the CIV under a reverse repurchase agreement defaults on its obligation to repurchase the underlying securities, as a result of its bankruptcy or otherwise, the CIV will seek to dispose of such securities, which action could involve costs or delays. If the seller becomes insolvent and subject to liquidation or reorganization under applicable bankruptcy or other laws, the CIV’s ability to dispose of the underlying securities may be restricted. It is possible, in a bankruptcy or liquidation scenario, that the CIV may not be able to substantiate its interest in the underlying securities. Finally, if a seller defaults on its obligation to repurchase securities under a reverse repurchase agreement, the CIV may suffer a loss to the extent that it is forced to liquidate its position in the market, and proceeds from the sale of the underlying securities are less than the repurchase price agreed to by the defaulting seller. Similar elements of risk arise in the event of the bankruptcy or insolvency of the buyer.

8.8 Risks Relating to Non-U.S. Investments and Non-U.S. Jurisdictions

8.8.1 Non-U.S. Exchanges

A CIV may trade and/or be a member of exchanges or markets located outside the U.S. Trading on such exchanges or markets is not regulated by the SEC and the CFTC and may, therefore, be subject to more risks than trading on U.S. exchanges, such as the risks of exchange controls, expropriation, burdensome taxation, moratoria and political or diplomatic events. Risks in

investments in non-U.S. Securities may also include reduced and less reliable information about issuers and markets, less stringent accounting standards, illiquidity of securities and markets, higher brokerage commissions and custody fees.

8.8.2 Non-U.S. Investments

Investing in the securities of companies (and, from time to time, governments) outside of the United States involves certain considerations not usually associated with investing in securities of U.S. companies or the U.S. government, including political and economic considerations, such as greater risks of expropriation, nationalization, confiscatory taxation, imposition of withholding or other taxes on interest, dividends, capital gains, other income or gross sale or disposition proceeds, limitations on the removal of assets and general social, political and economic instability; the relatively small size of the securities markets in such countries and the low volume of trading, resulting in potential lack of liquidity and in price volatility; the evolving and unsophisticated laws and regulations applicable to the securities and financial services industries of certain countries; fluctuations in the rate of exchange between currencies and costs associated with currency conversion; and certain government policies that may restrict a CIV's investment opportunities. In addition, accounting and financial reporting standards that prevail outside of the U.S. generally are not as high as U.S. standards and, consequently, less information is typically available concerning companies located outside of the U.S. than for those located in the U.S. As a result, a CIV may be unable to structure its transactions to achieve the intended results or to mitigate all risks associated with such markets. It may also be difficult to enforce the HRP Fund's rights in such markets. For example, securities traded on non-U.S. exchanges and the non-U.S. persons that trade these instruments are not subject to the jurisdiction of the SEC or the CFTC or the securities and commodities laws and regulations of the U.S. Accordingly, the protections accorded to the HRP Funds under such laws and regulations are unavailable for transactions on non-U.S. exchanges and with non-U.S. counterparties.

8.8.3 Dependence on Developing Countries

The level of commodity prices can fluctuate widely due to supply and demand disruptions in major producing or consuming regions. In particular, recent growth in industrial production and gross domestic product has made many developing countries, particularly China, disproportionately large users of commodities and has increased the extent to which commodity prices are dependent on the markets of those developing countries. Political, economic and other developments that affect these developing countries may affect the level of certain commodities and, thus, the value of the Fund's investments. Because certain commodities may be produced in a limited number of countries and may be controlled by a small number of producers, political, economic and supply-related events in those countries could have a disproportionate impact on the prices of commodity futures contracts and other types of financial instruments in which a CIV will invest. Events affecting the prices of commodities tend to affect prices worldwide, regardless of the location of the event.

8.9 Risks Associated with Structural and Operation of Funds.

8.9.1 In-Kind Distributions.

Under certain circumstances a withdrawing investor may receive securities or other assets in lieu of, or in combination with, cash. Such distributions may include interests in one or more special purpose vehicles holding Securities owned by a Fund, or participations therein. To the extent a

withdrawing investor is distributed interests in special purpose vehicles, such withdrawing investor will continue to be at risk with respect to the Fund's business. The value of the Securities distributed in kind may increase or decrease before they are sold either by the withdrawing investor, if received directly, or by the Adviser or its affiliates, if held through a special purpose vehicle. In either case, the withdrawing investor will incur transaction costs in connection with the sale of any such Securities and, in the case of interests in a special purpose vehicle, will bear a proportionate share of the operating and other expenses borne by such vehicle. Securities distributed in kind may not be readily marketable. The risk of loss and delay in liquidating these Securities will be borne by the investor, with the result that such investor may ultimately receive less cash than it would have received on the date of withdrawal if it had been paid in cash. Furthermore, to the extent that a withdrawing investor receives interests in special purpose vehicles, such withdrawing investor will generally have no voting rights or any control over when and at what price the Securities in which such vehicles have an interest are sold.

8.9.2 Compulsory Redemption.

The Adviser, in its sole and absolute discretion, may require any investor to withdraw all or a portion of its interest from the Funds at any time.

8.9.3 Significant Redemptions by Investors.

At times, a single investor might hold an interest in a Fund that comprise a large percentage of the total interest of the Fund. If such investor(s) were to redeem all or a significant portion of their interests from the Funds, the Adviser may find it difficult to adjust its asset allocation and trading strategies to the suddenly reduced amount of assets under management. Any forced sale of certain of the CIVs' investments to meet redemption requests could adversely affect the value of and diversification of the Funds' portfolio. Furthermore, if large redemptions from the Funds occurs, the CIVs may be forced to sell illiquid holdings at less than optimal times and prices, or, alternatively, the CIVs may sell liquid holdings and, consequently, the remaining investors in the Funds would be exposed to a higher concentration of illiquid holdings.

8.9.4 Side Letters and Other Investor-Related Arrangements and Disclosures.

From time to time, the Adviser, one of its affiliates and/or the Funds, may enter into letter agreements or other similar arrangements (collectively, "**Side Letters**") with one or more investors that provide for, *e.g.*, increased liquidity, heightened transparency, heightened reporting and reduced Incentive Allocations. As a result of such Side Letters, certain investors may receive rights, terms and other benefits that other investors will not receive. The Adviser is not required to notify the other investors of any such Side Letters or any of the rights or terms or provisions thereof, nor will the Adviser be required to offer such additional or different rights or terms to all other investors. The other investors generally will have no recourse against the Funds or Adviser in the event that certain investors receive additional or different rights, terms or other benefits as a result of such Side Letters. In addition, future investors may receive more favorable terms or other benefits through investment in one or more classes of interest in a Fund created and offered after the date of this filing.

The Adviser may agree, in its sole and absolute discretion, to disclose portfolio holdings to certain third parties, such as companies that evaluate portfolio risk for investors, from time to time. The Adviser generally requires recipients of such information to enter into nondisclosure agreements as a condition to receiving such information. However, there can be no assurance that the

recipients will fulfill their confidentiality obligations.

In the course of conducting due diligence, investors and prospective investors in the Funds may request information regarding their investments (or prospective investments) in the CIVs and regarding the Adviser. In responding to such requests, the Adviser may provide information that is generally not made available to other investors in the Funds.

8.9.5 Similar Funds.

Adviser may determine to organize and/or manage other funds (including separately managed accounts) that share substantially similar investment strategies and objectives from time to time. Such funds may offer the investors benefits that investors in the currently managed Funds will not receive, such as increased liquidity, heightened transparency (including with respect to portfolio composition information), the right to impose investment restrictions or guidelines, heightened reporting and reduced management fees and incentive allocations or fees. The Adviser is not required to notify investors of the terms applicable to such other funds, and such increased liquidity and/or heightened transparency may have an adverse effect on the Funds. Furthermore, due to the overlap of strategies and investments across many of the funds managed by the Adviser, the Funds may be adversely affected in the event of rapid or large liquidations of investment positions by other funds or may find it more difficult to liquidate positions held by the Funds due to a lack of liquidity resulting from large position sizes in the same investments held by other funds.

8.9.6 Valuation of Securities.

The Adviser is responsible for valuing the securities and other investments comprising the assets of the Funds. The Adviser generally values the Funds' portfolios using U.S. generally accepted accounting principles ("U.S. GAAP"). Typically, the valuations would be "marked to market" by reference to the last generally available price quotation. However, where a security is subject to any resale restriction, lack of available price quotations, illiquid market conditions or other factors preventing immediate liquidity of Funds' entire position, the Adviser has the sole and absolute discretion to value such security using its best good faith estimate as to fair value. This causes the potential for a conflict of interest due to the fact that a higher fair value assigned to such security will result possibly greater Fees, as well as higher administrative fees payable to the administrator. Valuations assigned to securities and other investments are not necessarily equivalent to the value that can be realized by the CIVs on the sale of those securities and other investments. In addition, there is a risk that the valuations of a security made pursuant to U.S. GAAP may differ from the price at which the security may actually be sold.

8.9.7 Investment Proceeds Realized Following Write-Downs.

From time to time, the Adviser may write down an investment held by the Funds and/or CIVs in part or in full. Such write-down will be reflected in the Funds' net asset value. In the event that an investor redeems some or all of its interest in a Fund following a write-down and the investment proceeds subsequently received by the Funds in respect of such investment exceed the amount of such write-down, no adjustment will be made to the redemption proceeds previously determined to be payable to such investor.

8.9.8 Increases in Assets under Management.

The Adviser has not presently agreed to limit the amount of additional assets it may manage and new investment strategies it may launch. The Adviser plans to continue to seek new investment capital, although, from time to time, Adviser may close one or more Funds (or one or more classes

of interest therein) to new investments based on market conditions and perceived opportunities. The greater the amount of assets under management by the Adviser, the more difficult it may be for the Adviser to invest profitably for the Funds because of the difficulty of trading larger positions without adversely affecting prices and managing risk associated with larger positions. In addition, there can be no assurance that appropriate investment opportunities will be available to accommodate future increases in assets under management, which may require the Adviser to modify its investment decisions for the Funds because it cannot deploy all the assets in the manner it desires.

8.9.9 Location and Infrastructure Risk.

The Adviser and most of the key personnel are physically located in one building in midtown Manhattan. Loss of the building and/or the key personnel, whether as a result of fire, terrorist action, earthquake or some other catastrophic event, could adversely affect the Adviser's operations and the investment returns of the Funds. A serious impairment to the infrastructure of the building, such as an extended loss of power, or a prolonged restriction of physical access to the building by governmental authorities also could adversely affect the Adviser's operations and the investment returns of the Funds. The Adviser has contracted for offsite data back-up and recovery and has a disaster recovery plan for offsite operation, but the risk of disruption of operations remains. Similar risks may apply to the brokers and dealers and other custodians of assets.

8.9.10 Cybersecurity Risk.

The computer systems, networks and devices used by the Adviser and its affiliates in the management of the Funds and their respective service providers to carry out routine business operations employ a variety of protections designed to prevent damage or interruption from computer viruses, network failures, computer and telecommunication failures, infiltration by unauthorized persons and security breaches. Despite the various protections utilized, systems, networks or devices potentially can be breached. The Funds and their investors could be negatively impacted as a result of a cybersecurity breach. Cybersecurity breaches can include: unauthorized access to systems, networks or devices; infection from computer viruses or other malicious software code; and attacks that shut down, disable, slow or otherwise disrupt operations, business processes, or website access or functionality. Other incidents, such as user errors, power outages and catastrophic events such as fires, floods, hurricanes and earthquakes, may also result in cybersecurity breaches. Cybersecurity breaches may cause disruptions and impact business operations, potentially resulting in financial losses to the Funds; interference with the Adviser's ability to calculate the net asset value of the Funds; impediments to trading; the inability of the Adviser and other service providers to transact business; violations of applicable privacy and other laws (including the release of private investor information); regulatory fines, penalties, reputational damage, reimbursement or other compensation costs, or additional compliance costs; as well as the inadvertent release of confidential information. Similar adverse consequences could result from cybersecurity breaches affecting issuers of securities in which the CIVs invest; counterparties with which the CIVs engage in transactions; governmental and other regulatory authorities; exchange and other financial market operators; and other persons with which the Adviser, one of its affiliates or one of their respective service providers does business. In addition, substantial costs may be incurred by these entities in order to prevent any cybersecurity breaches in the future.

8.10 Regulatory Risks

8.10.1 Investments by Benefit Plans.

The Adviser generally intends that the assets of a majority of the Funds will not constitute “plan assets” for purposes of the U.S. Employee Retirement Income Security Act of 1974, as amended (“ERISA”), and/or the U.S. Internal Revenue Code of 1986, as amended (the “Code”). No assurance can be given that Fund assets will never constitute “plan assets.” The Adviser has a limited number of Funds in which “plan assets” are invested. If the Funds’ assets were to constitute “plan assets” for purposes of ERISA and/or Section 4975 of the Code, the administration and operation of the Funds would be subject to ERISA and/or Section 4975 of the Code, the Adviser and other persons providing investment advice to the Funds, if any, could become fiduciaries of Plans (as hereinafter defined) subject to ERISA and/or Section 4975 of the Code that invest in the Funds, Fund transactions could constitute prohibited transactions under ERISA and/or Section 4975 of the Code, and there could be adverse consequences for the Funds and for certain plan investors (as hereinafter defined) invested in the Funds. Plans and their financial and legal advisors should consider this risk before making any investment in a Fund. While no assurances can be given, the Adviser intends to manage participation in the Funds by plan investors in a manner designed to prevent assets of the Funds from constituting “plan assets.”

8.10.2 Limited Regulatory Oversight.

It is not anticipated that any of the Funds will register as an investment company under the Investment Company Act. Accordingly, the protective provisions of such Act and the regulations promulgated thereunder (which, among other things, require investment companies to have a majority of disinterested directors, prohibit an investment company from engaging in certain transactions with affiliates of its adviser and impose limits on the use of leverage) are not applicable to the Funds. In addition, the Adviser currently is not registered as a commodity pool operator under the Commodity Exchange Act, as amended. Although the exemption from such registration that the Adviser currently relies upon is contained in a regulation that may be rescinded by the U.S. Commodity Futures Trading Commission effective December 31, 2012, the Adviser may determine to seek to rely upon an alternative exemption from such registration thereafter (if available). In the absence of such registration, investors will not be afforded any of the protective provisions of such Act and the regulations promulgated thereunder. It is not expected that any share class of the Funds will be registered under Section 12 of the U.S. Securities Exchange Act of 1934, as amended (the “’34 Act”), and, accordingly, the Funds will not be required to file such periodic and other reports with the SEC as are filed by U.S. public reporting companies.

8.10.3 Future Regulatory Developments.

Legal, tax and regulatory developments that would adversely affect the Funds could occur. The regulatory environment for hedge funds and other private investment funds is evolving, and changes in the regulation of private investment funds and their investment and trading activities may adversely affect the ability of the Funds to pursue their investment strategy, their ability to obtain leverage and financing and determine the value of its investments. In recent years, there has been an increase in governmental, as well as self-regulatory, scrutiny of the alternative investment industry in general. For example, the Dodd- Frank Wall Street Reform and Consumer Protection Act of 2010, which makes significant changes to the regulation of banks, hedge funds and other financial services firms, is still in the process of being clarified and implemented by Federal agency rulemaking and interpretation. The exact nature and scope of the impact of such

Act on the Funds and Adviser is not yet clear.

8.10.4 Risk of Epidemics and Pandemics.

The value of the any one of the Funds investment portfolio may decline due to disruptions caused by the spread of large-scale epidemics and pandemics. The ongoing global and national health crises caused by the global outbreak of the novel coronavirus resulting in the disease known as “COVID-19,” and the governmental and social responses intended to minimize its impact, have caused significant disruption of the global and national economies and instability in the financial markets. Further spread, or resurgent outbreaks, of COVID-19 could cause additional, extended or more restrictive quarantines and stay-at-home orders, business and school shutdowns, mass cancellations of events and travel, substantial reductions in consumer demand and the volume of business activity and financial transactions, labor shortages, supply chain and distribution channel interruptions, and disruptions in the provision of healthcare services, any of which would contribute to the continuation of, and potentially exacerbate, economic and financial market instability.

The duration of the COVID-19 pandemic and the disruptions related thereto will be affected by the ability of U.S. and non-U.S. governments and state and local authorities to manage the reopening of their economies in a sustainable manner and to effectively implement widespread testing and contact tracing of their populations, and by whether an effective vaccine to protect against COVID-19 will be timely developed, produced and distributed on a mass scale. The legislative and executive branches of the U.S. Government have sought to address the ongoing economic disruptions caused by the COVID-19 pandemic by establishing various programs intended to aid the recovery of the U.S. economy. There is no guarantee that any government programs that are established in response to the COVID-19 pandemic will accomplish their intended goals. Differing approaches to managing the spread of COVID-19 and addressing the resulting economic disruption, and a lack of coordination among the respective governments of affected countries or states, could result in certain countries or states and issuers located therein recovering less quickly than other countries or states and issuers located therein, or the actions of one or more countries or states having an adverse impact on the recovery of neighboring or other countries or states.

In addition to contributing to general economic disruptions and financial market instability, the COVID-19 pandemic may adversely affect the issuers of securities held by the Funds more directly, including by negatively impacting (i) their respective operating statuses and their employees, (ii) their supply chains and distribution channels, (iii) the ability of their customers to conduct business with them, and (iv) the industries in which such issuers operate generally, all of which could have a significant impact on the financial conditions of such issuers. Issuers may experience reduced cash flows and the loss of key employees due to decreased demand for products or services. With respect to debt securities held by the CIVs, economic disruptions may increase the risk of delinquencies and defaults with respect to such debt securities or assets underlying certain debt securities held by the CIVs (e.g., asset backed securities or mortgage-backed securities).

In addition, the COVID-19 pandemic could adversely affect the financial institutions and other counterparties and service providers with which the CIVs conduct business. While the Adviser’s and the CIVs’ counterparties generally have implemented business continuity plans and shifted some personnel to virtual operating status, there is no guarantee that any of them will continue to

be able to provide services at the same level or at the same cost as they did prior to the start of the pandemic. Any inability by any financial institution or other counterparty or service provider to perform services for the Funds could have a negative impact on the performance of the Funds.

The extent to which the COVID-19 pandemic will continue to cause economic disruptions and financial market volatility and instability and adversely impact the Funds will depend on future developments, which are highly uncertain and cannot be predicted, including the scope and duration of outbreaks of COVID-19 and new and continued actions taken by governmental authorities to reduce the spread of COVID-19 and contain the related financial and economic impact of the pandemic. The same or similar risks may apply to any future pandemics and epidemics.

Item 9 DISCIPLINARY INFORMATION

Item 9 is not applicable to the Adviser.

Item 10 OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS

The Adviser is required to disclose any relationship or arrangement that is material to its Advisory business or to its clients with certain related persons. The Adviser and its personnel will devote substantially all of their respective business time to the activities of the HRP Funds. The Adviser and its affiliates are not restricted from forming additional investment funds, from entering into other investment Advisory relationships or from engaging in other business activities, even though such activities may be in competition with the Funds and/or can be expected to involve substantial time and resources of the Adviser. These activities could be viewed as creating a conflict of interest in that the time and effort of the Adviser and its personnel will not be devoted exclusively to the business of the HRP Funds but will be allocated between the business of the funds and the management of the monies of other advisees of the Adviser and its personnel.

As described herein, the Adviser and its partners, officers, employees, affiliates, and agents are subject to certain potential or actual conflicts of interest in connection with the activities of, and investments by, the Funds.

10.1.1 Investment Adviser Affiliates

The following entities are wholly owned by the Master Fund:

a) **Hidden Road Partners CIV International HoldCo Ltd.** (“CIV International HoldCo”) is a private limited company incorporated in England and Wales. It is the parent entity to CIV UK. Unlike the other entities listed below, CIV International HoldCo does not provide credit intermediation services to counterparties directly.

b) **Hidden Road Partners CIV UK Ltd.** (“CIV UK”) - a private limited company incorporated in England and Wales that is authorized and regulated by the U.K. Financial Conduct Authority (“FCA”). CIV UK will offer credit intermediation on OTC swaps on equity indices, commodity indices and other underlying indices over time. Counterparties will have access to other market participants contracted with CIV UK for pricing and transaction execution with both sides of the transaction being submitted to CIV UK as the counterparty on the transaction after execution.

c) **Hidden Road Partners CIV US OTC LLC** (“**CIV US OTC**”) – a Delaware limited liability company, will offer credit intermediation to counterparties in FX spot, FX deliverable and non-deliverable forwards, and FX options allowing counterparties to access other market participants and electronic trading venues for pricing and transaction execution with both sides of the transaction being submitted to CIV US OTC as the counterparty on the transaction after execution. In addition, liquidity will be provided by CIV US OTC’s prime brokers or other dealers to the extent a market participant is not signed up with CIV US OTC.

d) **Hidden Road Partners CIV US LLC** (“**CIV US**”) – is a Delaware limited liability company, which is registered with the U.S. Commodity Futures Trading Commission (the “**CFTC**”) as a Futures Commission Merchant (“**FCM**”) and Swap Firm and is a member of the National Futures Association (the “**NFA**”). It is a registered broker-dealer (“**BD**”) with the SEC and is a member of the Financial Industry Regulatory Authority (“**FINRA**”). CIV US will offer agency clearing to customers on futures and cleared swaps on global clearinghouses and will be a member of certain clearinghouses, including, but not limited to, the Chicago Mercantile Exchange Inc. (“**CME**”). In addition, where appropriate, CIV US will allow customers to utilize margin financing. CIV US will also offer credit intermediation on securities, facilitating intermediation and financing of both bilateral and venue-based securities transactions. CIV US anticipates applying for membership to various central clearing counterparties, including but not limited to, the Fixed Income Clearing Corporation (“**FICC**”) Government Securities Division to facilitate the clearing of US Treasury securities where counterparties are also FICC members.

10.1.2 The Advisory Committee

HRP has established a committee (the “**Advisory Committee**”) initially comprised of representatives from certain limited partner investors, which will, on behalf of the HRP Funds, provide advice and counsel to HRP pertaining to its day-to-day activities and investment strategies.

Members of the Advisory Committee may have an interest in the Incentive Allocation of the Adviser and/or an affiliate of the Adviser. By having an interest in such entity, this may create a conflict of interest for the members of the Advisory Committee in which their decisions may not be in the best interest of the HRP Funds and each investor in a Fund, such as approving actions of the Adviser or its affiliates that are riskier or more speculative that could enable them to receive a higher incentive allocation.

10.1.3 Affiliations of Members/Employees of the Adviser.

Certain Senior Management and other employees of the Adviser are or may be licensed representatives of the affiliated entities – (i) CIV US, which is a FINRA registered BD and FCM and (ii) CIV UK, which is authorized and regulated by the FCA.

When acting in a licensed representative capacity, individuals associated with CIV US and CIV UK are said to be acting in a “dual capacity”. These individuals are not provided additional compensation for their roles while working for either CIV US and/or CIV UK. They are held to the same ethical standards as an employee of HRP and are required to comply with applicable policies and procedures including the Adviser’s Code of Ethics, as discussed in Item 11 below. Their activities are supervised by designated supervisors of HRP.

Item 11 CODE OF ETHICS, PARTICIPATION OR INTEREST IN CLIENT TRANSACTIONS AND PERSONAL TRADING

The Adviser has adopted a Code of Ethics (the “Code”). The Code provides that each employee should place the investors of the Funds ahead of their own. Each employee is required to conduct all personal securities transactions in a manner that is consistent with the Code and to avoid any actual or potential conflict of interest. No employee may misuse information about the HRP Fund accounts, abuse his or her position of trust and responsibility or take inappropriate advantage of his or her position. The Adviser has a policy concerning trading by personnel of the Adviser and its employees which the Adviser believes is reasonably designed to minimize potential conflicts of interest between the Adviser and the HRP Funds. In furtherance of minimizing such potential conflicts of interest, the Adviser prohibits its access persons from trading, either personally or on behalf of others, in securities while in possession of material non-public information regarding such securities or communicating material non-public information to others.

The Code of Ethics requires all HRP personnel to maintain the following standards of behavior:

a) **Compliance with Laws.** Employees must comply with all applicable laws and regulations of the countries in which HRP conducts business.

b) **Insider Trading and Market Abuse.** HRP policy and federal and state securities laws forbid all employees, either personally or on the behalf of others, from buying or selling securities on the basis of material nonpublic information about that security or issuer (or “**tipping**” such information to another who trades), in breach of a duty of trust or confidence. Employees are also prohibited from engaging in market abuse, which generally refers to activities that are intended to create a false or misleading impression in order to affect the price or market for a given security.

c) **Acting in the Best Interests of the Clients.** Employees have a duty to act in the best interests of the HRP Funds at all times and under any circumstances. This duty generally requires that the interests of the HRP Funds be placed above the interests of HRP and its employees whenever there is conflict between the two.

d) **Duty to Disclose Material Conflicts.** Any conflict of interest between the interests of a HRP Fund and the interests of HRP should be reported to the Chief Compliance Officer.

e) **Duty to Disclose Material Facts.** HRP has a duty to disclose any event that is material to an investor’s evaluation of HRP’s integrity and any material facts with respect to HRP’s financial condition that are reasonably likely to impair its ability to meet its contractual commitments to investors.

f) **Dealing with Government or Regulatory Authorities.** It is expected and required that all employees fulfill their obligations to governmental and regulatory bodies. Nothing in the Code or any other HRP policy prevents an employee from (i) sharing any information (except information protected by attorney-client or work product privilege) with regulators or appropriate governmental agencies, including but not limited to governing taxing authorities, whether in response to a subpoena or otherwise, without notice to HRP, or (ii) providing non-privileged information in response to any other lawful subpoena or legal process.

All employees must familiarize themselves with these policies and procedures, and strict compliance with such policies and procedures is mandatory. HRP’s personnel are required to certify to their compliance with the Code upon the commencement of their employment and at least annually thereafter. All HRP personnel are also required to comply with applicable securities laws, and to report any violation or suspected violation of the Code to the Chief Compliance Officer.

The Code also governs personal trading activities by personnel and their immediate family members living in the same household. The Code requires HRP personnel to report all personal trades on at least a quarterly basis and to provide initial and annual holdings reports to the Chief Compliance Officer or his designee. Personnel are permitted to invest in certain securities, such as pooled investment vehicles and private companies, subject to pre-clearance by the Chief Compliance Officer. Consistent with the foregoing policies, personnel of HRP have and may in the future purchase or sell securities or other instruments that are also recommended to, or purchased and sold for, HRP Funds. For clarification, the preapproval requirement and certain prohibitions generally do not apply to (i) trading in certain non-“covered securities” (e.g., open-end mutual funds, U.S. treasuries), (ii) ETFs and (iii) trading in personal accounts over which neither the employee nor any of his or her immediate family members in the same household has direct or indirect influence or control. The Chief Compliance Officer monitors HRP personnel’s personal trading activity to ensure that transactions have been executed in accordance with the Code and relevant rules and regulations and will evaluate any potential conflicts of interest prior to pre-clearing any personal investments.

In addition to restrictions on personal trading, HRP also maintains policies and procedures that address and place limits on the giving and receiving of gifts and entertainment, the making of political contributions, service on outside boards of directors and other outside business activities that could give rise to potential conflicts of interest.

Finally, HRP also maintains insider trading policies and procedures that are designed to prevent the misuse of material, non-public information.

11.1 Conflict of Interest

The Adviser and its affiliates will be subject, and the HRP Funds will be exposed, to a number of actual and potential conflicts of interest. Any such conflict of interest could have a material adverse effect on the HRP Funds, the investments therein, and the investors in each Fund. However, the existence of an actual or potential conflict of interest does not mean that it will be acted upon to the detriment of the HRP Funds. When a conflict of interest arises, the Adviser will endeavor to ensure that the conflict is resolved fairly and in an equitable manner that is consistent with its fiduciary duties to the HRP Funds. The Adviser has in place policies and procedures that it believes are reasonably designed to identify and resolve actual and potential conflicts of interest.

Investors and potential investors should understand that (i) the relationships among the Funds, the CIVs, other accounts, the Adviser and its affiliates are complex and dynamic and (ii) as the Adviser, its affiliates and the HRP Fund’s businesses change over time, the Adviser and its affiliates may be subject, and the Funds may be exposed, to new or additional conflicts of interest. There can be no assurance that this Brochure, and each Fund’s offering documents addresses or anticipates every possible current or future conflict of interest that may arise or that is or may be detrimental to the Funds or the investor of each Fund. Prospective Investors should consult with their own advisers regarding the possible implications on their investment in the Funds and the conflicts of interest described in this Brochure and the offering documents.

The Code is periodically reviewed and updated, as necessary, by the Adviser’s Compliance Department. The Code is available upon request by contacting John Jacobs at jjacobs@hiddenroad.com.

Item 12 BROKERAGE PRACTICES

12.1 Selection of Broker Dealers

Generally, HRP will not be engaging in publicly traded securities for HRP Fund transactions beyond treasury management functions. However, should HRP engage in choosing brokers and dealers to effect publicly traded portfolio transactions for HRP Funds, HRP seeks to obtain “best execution”.

The Adviser has complete discretion in deciding which securities are bought and sold, the amount and price of those securities, the brokers or dealers to be used for a particular transaction, and commissions or markups and markdowns paid.

Although HRP seeks competitive commission rates, it does not necessarily pay the lowest commission rate available. Transactions may involve specialized services on the part of a broker-dealer, justifying higher commissions than would be the case for more routine services.

As stated above in Item 4, the Adviser will be investing Investor funds in privately held operating companies. However, should portfolio transactions of publicly traded securities for HRP Funds occur, such transaction will be allocated to brokers and dealers on the basis of numerous factors and not necessarily lowest pricing. Brokers and dealers may provide other services that are beneficial to the Adviser and/or certain accounts, but not beneficial to all accounts. Subject to best execution, in selecting brokers and dealers (including prime brokers) to execute transactions, provide financing and securities on loan, hold cash and short balances and provide other services, the Adviser may consider, among other factors that are deemed appropriate to consider under the circumstances, such as the following: the ability of the brokers and dealers to effect the transaction; the brokers’ or dealers’ facilities, reliability and financial responsibility; and the provision by the brokers of capital introduction, talent introduction, marketing assistance, consulting with respect to technology, operations and equipment, commitment of capital, access to company management and access to deal flow.

Should the Adviser engage in publicly traded transactions beyond treasury management transactions it will maintain policies and procedures to review the quality of executions, including periodic reviews by our investment, operations, and compliance professionals.

12.2 Capital Introduction

From time to time, brokers may provide capital introduction and marketing assistance services, and representatives of the Adviser may speak at conferences and programs sponsored by the brokers, for investors interested in investing in private investment funds. Through such events, prospective investors in the Funds may encounter representatives of the Adviser. Brokers may also provide other services, including consulting services relating to technology and office space. Although the Adviser does not compensate brokers for such assistance, events or services, or for any investments ultimately made by prospective investors attending such events, such activities may influence the Adviser in deciding whether to use such broker in connection with brokerage, financing and other activities. Subject to its obligation to seek best execution, the Adviser may consider referrals of investors in determining its selection of brokers. However, the Adviser will not commit to an investor or a broker to allocate a particular amount of brokerage, financing and other activities in any such situation.

12.3 Use of Soft Dollars

The Adviser does not have any formal “soft dollar” arrangements nor does it anticipate entering into any formal “soft dollar” arrangements. Nevertheless, to the extent the Adviser does receive

any “soft dollar” benefits (e.g., research or execution services), it will only do so to the extent that they fall within the safe harbor provided by Section 28(e) of the Exchange Act. Notwithstanding the foregoing, the Adviser may receive, without cost and unrelated to the execution of securities transactions, a broad range of research services from brokers, including information on the economy, industries, securities and individual companies, statistical information, market data, complimentary attendance at industry conference and events, access to company management, pricing and appraisal services, credit analysis, risk measurement analysis, performance analysis and other information that may affect the economy and/or security prices.

12.4 Cross Trades and Principal Transactions

The Adviser discourages “cross trades”, but the Adviser may determine in the future that it would be in the best interests of one HRP Fund and one or more other HRP Fund to transfer a security from one account to another (each such transfer, a “**Cross Trade**”) for a variety of reasons, including, without limitation, tax purposes, liquidity purposes, to rebalance the portfolios of the accounts, or to reduce transaction costs that may arise in an open market transaction. If the Adviser decides to engage in a Cross Trade, the Adviser will determine that the trade is in the best interests of both of the HRP Funds involved in it and take steps to ensure that the transaction is consistent with the duty to obtain best execution for each of those HRP Funds.

The Adviser will generally execute Cross Trades with the assistance of a broker-dealer who executes and books the transaction at the close of the market on the day of the transaction. A Cross Trade between two HRP Funds may also occur as an “internal cross,” where the Adviser instructs the custodian for the HRP Funds involved in the Cross Trade to book the transaction at the price determined in accordance with the Adviser’s valuation policy. If the Adviser effects an internal cross, the Adviser will not receive any fee in connection with the completion of the transaction.

To the extent that Cross Trades may be viewed as principal transactions due to the ownership interest in a HRP Fund or its personnel, the Adviser will comply with the requirements of Section 206(3) of the Advisers Act.

12.5 Trade Errors Policy

HRP Fund account transactions are effected on occasion in a manner that differs from what was intended for the account. The Adviser reviews any trade errors that it discovers, on a case-by-case basis, and decides what corrective steps to take if any, after reviewing the error with one of the Firm’s principals. The HRP Funds often bear the gain or loss from an error. Investors should refer to their respective Fund’s offering documents for more information regarding the handling of trade errors.

Item 13 REVIEW OF ACCOUNTS

The Adviser monitors each HRP Fund regularly by the Firm’s Risk Management Committee and Compliance Department. The Compliance Department also reviews and performs various tests on the Funds regularly, providing oversight and review of the underlying trading activity and investment activity within CIV.

Investors in the Funds typically receive, among other things, a copy of audited financial statements of the relevant Fund within 120 days after the fiscal year end of such Fund. The Adviser will generally provide to each Fund investor, quarterly performance estimates and distribute a quarterly investor letter containing a qualitative discussion of the investment holdings, portfolio positions,

performance, and outlook.

Item 14 CLIENT REFERRALS AND OTHER COMPENSATION

HRP does not receive economic benefits from non-clients in exchange for providing investment advice and other advisory services.

Item 15 CUSTODY

The Adviser may be deemed to have constructive custody of certain client assets pursuant to Rule 206(4)-2 of the 1940 Act (the “**Custody Rule**”), as a result of fee payments or the service of its affiliates as general partners to private investment partnerships or otherwise. Actual custody of funds and other client assets, however, is at a qualified custodian, not at the Adviser. Notwithstanding the foregoing and on occasion, some assets or certificates may not be accepted by the qualified custodians and such assets or certificates will be custodied by the Adviser in accordance with applicable SEC guidance. Currently, the qualified custodian utilized by the Adviser for the Funds’ cash and securities comprising the assets of the Funds is UBS AG, LLC., as otherwise disclosed in the disclosure documents for a particular Fund, or as otherwise directed in the case of the managed accounts.

To ensure compliance with the Custody Rule, the Adviser reasonably believes that all investors in the Funds will be provided with audited financial statements for the respective Funds, prepared by an independent public accountant that is registered with, and subject to regular inspection by the Public Company Accounting Oversight Board, in accordance with International Financial Reporting Standards, within 120 days of the end of the respective Funds’ fiscal years.

The Adviser and/or one of its affiliates will also make available to each investor periodic unaudited performance information, no less frequently than quarterly.

Item 16 INVESTMENT DISCRETION

The Adviser generally exercises investment discretion over all of the HRP Funds and accounts that it manages or advises. Investors in the Funds do not have the ability to impose limitations on the Adviser’s discretionary authority. This authority is established through the Fund’s offering documents, including the subscription documents completed and signed by each investor prior to investing in a Fund. Prospective investors in the Funds are provided with offering documents prior to their investment and are encouraged to carefully review the offering documents, and to be sure that the proposed investment is consistent with their investment goals and tolerance for risk.

Item 17 VOTING CLIENT SECURITIES

The offering documents for the Funds grants the Adviser authority to vote their proxies. As stated above, HRP will not be engaging in publicly traded securities for HRP Fund transactions beyond treasury management functions. However, if the Adviser engages in a publicly traded security, under Rule 206(4)-6 under the Advisers Act, the Adviser has adopted proxy voting policies and procedures. The general policy is to vote proxy proposals, amendments, consents or resolutions (collectively, “**Proxies**”), in a prudent and diligent manner that will serve the applicable HRP Fund’s best interest and is in line with each HRP Fund’s investment objectives.

The Adviser may take into account all relevant factors, as determined by HRP in its discretion,

including: (i) the impact on the value of the securities or instruments owned by the relevant client and the returns on those securities; (ii) the anticipated associated costs and benefits; (iii) the continued or increased availability of portfolio information; and (iv) industry and business practices.

In limited circumstances, the Adviser may refrain from voting Proxies where HRP believes that voting would be inappropriate, taking into consideration the cost of voting the Proxies and the anticipated benefit to the Funds. Generally, investors may not direct the Adviser's vote in a particular solicitation.

Conflicts of interest may arise between the interests of the HRP Funds on the one hand and HRP or its affiliates on the other hand. In the event of a conflict, the Adviser has the option to abstain from voting if the vote is not likely to be affected; retain a disinterested third party adviser to advise on the vote; vote the shares in proportion to other "yes" and "no" votes received by the issuer; or take such other actions, as will be appropriate in the particular context.

Investors can obtain a copy of the Adviser's proxy voting policies and proxy voting records by contacting the Adviser's Chief Compliance Officer.

Item 18 FINANCIAL INFORMATION

Item 18 is not applicable to the Adviser

Item 19 REQUIREMENTS FOR STATE-REGISTERED ADVISERS

Item 19 is not applicable to the Adviser.